



Habitat
for Humanity®
Camrose

Homeowner Education Program

HOMEOWNER HANDBOOK

An Outline
of the

Habitat Homeownership Process



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PART A: HABITAT'S AFFORDABLE HOMEOWNERSHIP PROGRAM

1. What is Habitat's Affordable Homeownership Program? Is this program for Me?

a. What is the Affordable Homeownership Program?

Habitat for Humanity partners with families who are ready for the responsibility and challenges of homeownership, but would not qualify for a traditional mortgage.

To qualify for a Habitat home, a family must meet the following criteria:

- Need
- Ability to Pay
- Willingness to Partner

b. What is the difference between your current rental and the Habitat program?

RENTING	HABITAT HOMEOWNERSHIP
Rental rates are set by your landlord	Habitat mortgages are adjustable monthly payments of no more than 30% of your total family income.
Home maintenance and repairs are taken care of by your landlord	You are responsible for home maintenance and repairs
Once made, rental payment money is gone	Mortgage payments build equity
No stability or permanency in your dwelling	Builds a stable home for your family

c. What are your responsibilities: renting vs. homeownership?

RENTER RESPONSIBILITIES	HOMEOWNER RESPONSIBILITIES
Home Maintenance	Home Maintenance
Report major issues to Habitat	Everything. Some examples include:
Address small maintenance problems yourself	-Appliance warranties and maintenance
	-Replace roof shingles when necessary
	-lawn maintenance
	-being a good neighbour
Rental Payments	Homeownership Payments
Rent (sometimes includes utilities, sometimes not)	Mortgage payment (30% of your family income)
utilities	Utilities
Renters insurance	Home insurance
	Property taxes
	lawyer fees for mortgage transfer to your name

d. What are the differences between a bank mortgage and a mortgage through Habitat?

	BANK MORTGAGE	HABITAT FOR HUMANITY MORTGAGE
Down Payment	10 – 20% of purchase price	No \$\$\$ down payment
Interest Rate	3 – 10%	0%
Payment Amount	Payment will change when the interest rate changes and property taxes go up	Your payment will always be a set % of your family income. Your payment includes property taxes.
If your income goes down	Your payments stay the same	Habitat can adjust your payments to keep the payments affordable

e. Reflection: Is homeownership right for me?

Before applying for Habitat Homeownership you need to be ready for the reality of homeownership. You will need to be able to take responsibility for money management (including saving for home repairs), maintaining your home inside and out, and be willing and able to partner with Habitat (includes completing Sweat Equity hours and completing Habitat’s Homeowner Education Seminars).

PART B: APPLYING

1. Application Process

a. Initial short form application. (Link to short application found [here.](#))

b. Family Liaison assignment

- Family Services Committee Head Assigns application to one of the committee members

c. First Meeting

- That Committee member sets up a meeting with the family at ReStore
 - **PURPOSE:** verification of financial ability to qualify for a Habitat home
- Liaison goes through 'Questionnaire at First Meeting with New Applicant.' ([see Appendix I](#))
- Family is given form requesting
 - Income verification
 - Line 150 of your Income Tax NOA (Notice of Assessment)
 - Credit Check - may cost up to \$50.00
 - [Equifax](#)
 - 3 months' proof of Canadian child tax benefit
 - [CCTP Calculator](#) Child and Family Benefits Calculator

d. Second Meeting

- Once the family has collected the above info, a second meeting with Family Services Committee member is required.
 - **PURPOSE:** The committee member reviews income, credit check and Canadian child tax benefit. If all ok, then provide full Package which includes a full application and check list of documents required
- Full application. (Link to full application found [here.](#))
 - Liaison will explain documents required
 - For example: rental history, present housing conditions, employment information, annual household income & expenses, debt & assets, references.

e. Review

- once full application has been returned a Family Services Committee member will verify all the information is there and contact family if anything is missing
 - **PURPOSE:** Family Service Committee Member reviews and recommends to Family Services Committee for approval or denial

g. Family Home Interview

- Home interview performed by two Family Services Committee members
 - **PURPOSE:** To determine if Family's shelter fits into Habitat's need requirements
- References are called

h. Presented to Executive Director for Approval

i. Acceptance

- Family Services Committee lets family know if they have been selected.

- Family Service Liaison is appointed

PART C: LETTER OF AGREEMENT

1. I've been Accepted

a. What is expected of me?

Before you move into your Habitat home we will have some expectations of you and there are a few things that need to be completed.

i. Letter of Agreement

- What is it?:
 - It summarizes the partnership you've entered with Habitat.
 - It outlines your responsibilities to Habitat and Habitat's responsibilities to you.
- **ACTION ITEM:**
 - Once you are approved, you will meet with the Executive Director or Project Coordinator to sign this document to commit to Habitat's Affordable Homeownership Program.
 - The meeting will be scheduled with you.

ii. Sweat Equity

- What is it?:
 - All families must contribute 500 hours of sweat equity or volunteer time on the build site or at ReStore.
 - You, your family, and friends help build your home and the homes of other families, as well as assist at ReStore and in other capacities with Habitat.
- How does it work?:
 - You will be given a [form to track your hours](#) which are approved by a Habitat Site Supervisor and/or Habitat Full-time Staff Member.
 - Prospective Homeowners may enlist the support of family and friends. The time allocation for all participants is as follows:
 - For two parent families, each parent completes 200 hours. The remaining 100 hours may be completed by friends, extended family, church family or community groups.
 - For single parent families, the lone parent completes 200 hours and up to 300 hours may be completed by friends, extended family, church family or community groups.
 - The purpose of sweat equity is to add value to HFH Camrose; therefore, Partner Families may not receive hours from pre-existing Habitat volunteers already working at ReStore, on the Build, or volunteering in another capacity with HFH Camrose.
 - A detailed policy is available [here](#).
- How can you complete your Sweat Equity hours?

- Volunteer at ReStore
- Volunteer on the Build Site (minimum suggested 100 hours)
- 100 hrs can be volunteered at other non-profit organizations by your immediate family.
 - We will require a letter from the organization acknowledging the dates of completion and duties fulfilled.
- You can find more detailed information about Sweat Equity guidelines in this [Sweat Equity Guide](#).
- **ACTION ITEM:**
 - As soon as you are accepted to receive a Habitat home you can start your sweat equity hours. Contact the ReStore Manager or Project Coordinator to get started.

iii. PR Work

- What will be expected of me?:
 - Ideally, we would love for you to become an advocate for our program by speaking publicly or by writing about your experience and how Habitat has made a difference in your family's life.
 - Public Events:
 - You will be asked to appear at public events in order to help Habitat promote its Affordable Homeownership Program.
 - Examples : Ground Breaking
: Home Dedication Ceremonies
 - Interviews:
 - You will be asked to be involved in interviews with the newspapers
 - Share your story:
 - We ask that you share your family story in writing
 - Especially what brought you to apply for a Habitat home and what changes you are expecting to receive from it.
 - You can find the Partner Family Profile Questionnaire in Appendix IV or [here](#).
 - Family Photo:
 - We would also appreciate using your family's photo (ie. Social media, website, local newspapers).
- **ACTION ITEM:**
 - None immediately required. We will approach you when PR is needed.

iv. HABITAT HOMEOWNER EDUCATION PROGRAM

As part of your sweat equity, you are required to complete Habitat's Homeowner Education Program. You will need to attend each seminar in totality otherwise you will have to repeat the whole seminar at a later date.

It includes 3 modules:

1. Financial Foundations (two 4 hour sessions)

- a. is taught at ReStore by members of our Family Services Committee and Habitat Staff
 - b. this seminar is scheduled twice a year. Once in late Fall and once in the Spring.
 - c. you learn about your perspective on money, how to evaluate priorities, build a budget, and stick to it.
 - d. you will also learn how to save money and build a stable future for your family.
2. Understanding Habitat's Mortgage
- a. is taught by the Executive Director
 - b. this seminar is scheduled twice a year. Once in late Fall and once in the Spring.
 - c. it is important for you to understand the agreement you are entering in to with Habitat. In this seminar the mortgage agreement is broken down to help you understand the details.
3. Home Maintenance (2 hours)
- a. is taught by our Construction Manager and takes place in your home, to help you learn the basics of taking care of your home.
- **ACTION ITEM:**
 - We will schedule with you for these classes.

v. *SAVINGS*

- **You should start saving as soon as you are approved for Habitat's Affordable Homeownership Program. A good goal would be \$1000 - \$2000 per year.**
 - When you move in to your home, you will need to pay a \$500 damage deposit as well as your first month's rental payment. Normal rental payments range from \$500 to \$1000.
 - There may be other costs upcoming for you as well associated with your move to a Habitat home (moving costs, utility company deposits, home insurance, etc.).
 - When you are ready to sign your mortgage, you will pay approximately \$1,000 to cover the legal costs of signing your mortgage.
 - Even after you've moved and signed your mortgage, we recommend you continue to save money (at least \$1,000-\$2,000 per year) to pay for the costs of maintaining your home.
- **ACTION ITEM:**
 - If you haven't already, start saving immediately! Put a little away each month. If you need help with this, the personal finance course is a great place to ask questions and get help with planning.

PART D: FIXED TERM TENANCY

1. What do I need to know?

a. Fixed Term Tenancy (FTT)

You are under a fixed term tenancy agreement until you fulfill your obligations in your FTT.

You can see an example of a FTT Agreement [here](#).

- How does it work?
 - For the first year after you move in to your Habitat home you are essentially a 'renter.' It is a one-year "rent-to-own" agreement.
 - If at any time during the Fixed Term Tenancy you do not live up to your obligations (make all your payments on time, maintain the home, and be a good neighbour), you may be asked to leave the home and the payments you made will be treated as rent and kept by Habitat. Damage deposit will not be returned if deemed necessary upon inspection of premises.
 - See Clause #35 of the FTT Agreement
 - Special Note: Clause #13 Home based business
#15 Subletting
 - If you live up to your obligations during this one-year period, Habitat will then sign a mortgage with you.
 - The damage deposit and principle payments you made for one year will count towards the purchase price of the home.
 - For example, if the home appraises at \$200,000 when you move in, and you pay \$9,000 toward the principle in the first year, the purchase price of the home will be \$190,500 when you sign your mortgage (\$200,000 home value - \$500 damage deposit - \$9,000 principle payments)

b. Annual Submission of Income to Habitat

- Every year, you will receive an email from Habitat requesting the following documents:
 1. Canada Revenue Agency Notice of Assessment
 - allows Habitat to verify your income and adjust your payment accordingly
 2. Certificate of Tenants/Renters Insurance
 - showing that the contents of your home has been insured for the full replacement value
 3. Discussion of financial plan (savings, emergency fund, insurance, other questions, etc.)

c. Making Your Payments

- Tenancy/Rental Payment
 - Your tenancy payment (until you sign your mortgage) is calculated annually to be 30% of your gross household income. It is paid monthly to Habitat.
 - The 30% calculation includes:

- rental payment
- property taxes (property taxes are paid to Habitat. Habitat pays the City on your behalf)
- home insurance (Habitat is the holder of the home insurance and it is included in your payment)
- For example:
 - Income as indicated on your NOA Line 150 is \$40,000
 - Divide this by 12 to get your monthly income
 $\$40,000 / 12 = \$3,333$ monthly income
 - Multiply the monthly income by 30%
 $\$3,333 \times 30\% = \999 monthly tenancy payment
 - Your monthly payment will not be more than \$999 and will include what is stated above. As an example:
 - \$ 200 property taxes
 - \$ 30 home insurance
 - \$ 769 principal payment
 - \$999 monthly payment

d. Tenants Insurance

- You need to provide your own Tenants/Renters insurance until you sign your mortgage.
 - Tenants insurance covers your contents in the house.
 - You pay your tenants insurance directly to the provider of your choice.

e. Damage deposit?

- Yes. \$500. It is due when you move in to the home along with your first month's Tenant payment.
- At the end of the Fixed Term Tenancy, we will do another "walk through" inspection and if there is no damage, Habitat will count damage deposit toward the purchase price of the home.
 - If there is damage to the home, the damage deposit will be used for repairs and not counted towards the purchase price of the home.
 - If repairs are above \$500 the tenant is responsible for the cost of the repairs.

f. Electronic payments

- Do I have to use electronic payments?
 - Yes. You must pay by automatic debit. Cheques and/or cash are not accepted.

- You will submit a pre-authorized debit form from your bank and a void cheque along with your Fixed Term Tenancy agreement, which will be used to automatically debit your bank account.

g. Will I receive a newly built home?

Homes are available on first-come, first-served basis. Your home may be newly constructed, but from time-to-time other partner families “graduate” from our program and sell their homes back to Habitat. These homes are then sold to a new partner family. If you are “next in line,” this existing home will be offered to you.

2. Getting Ready to Move In

a. When will I find out when I can move into my Habitat home?

- We will confirm the move-in date as early as possible, based on the construction process and/or the availability of a “buy-back” home. We do our best to give you at least 30 days’ notice.

b. What Habitat needs from you

- i. Confirmation of your income
 - Bring in your Notice of Assessment (Line 150) from the previous year for all adults living in the home. (ie move in July 2017, bring your 2016 NOA’s)
 - **ACTION ITEM:** Submit NOA one month prior to move in date
- ii. We will need a current credit check
 - Can get this online at:
 - Equifax http://www.consumer.equifax.ca/home/en_ca
 - There is free access to credit checks but there is also commonly a fee of \$20 or \$50. If so, Habitat can reimburse you for this expense.
 - **ACTION ITEM:** Submit current credit check one month prior to move in date
- iii. Pre-authorized debit form from your bank and a void cheque
 - Your second month’s payment will come out automatic debit
 - **ACTION ITEM:** When signing your Fixed Term Tenancy agreement, you will submit a pre-authorized debit form from your bank and a void cheque, which will be used to automatically debit your bank account.
- iv. Signing the Fixed Term Tenancy Agreement (FTT)
 - When you have shown proof of the above (income, credit check, pre-authorized debit form and void cheque) we will have the FTT ready for you to sign.
 - **ACTION ITEM:** We will schedule a meeting with you to sign the FTT agreement.

c. What money will I need?

- First month’s *tenancy* payment due when you move in
- \$500 damage deposit due with first month’s *tenancy* payment

- Damage deposit will be counted toward sale price of your home when you sign your mortgage
- Money for setting up utilities (see below)
- Money for Renters/Content Insurance (see below)
- **ACTION ITEM:** Have money set aside for initial move-in costs
 - for example:

1 st month rent	\$ 500
Damage deposit	\$ 500
Utility transfers/setup	\$ 200
<u>Tenants/Contents Insurance</u>	<u>\$ 50/mo</u>
Total Move-in Costs	\$1400

d. Utilities

- When transferring utilities into your name as a renter you will need:
 - The lease agreement
 - Photo id
 - Monetary deposits
- **You are responsible for setting up utility accounts as follows:**
 - **NATURAL GAS**
 - Habitat uses Camrose Energy, but you are free to choose your own provider
 - Direct Energy 1-866-420-3174
 - Camrose energy 780-781-4115
 - Average setup cost: \$200.00
 - **ELECTRICITY**
 - Habitat uses Camrose Energy, but you are free to choose your own provider
 - Direct Energy 1-866-420-3174
 - Camrose Energy: 780-781-4115
 - EPCOR: 310-4300
 - Average setup cost: \$200.00
 - **UTILITIES/WATER**
 - City of Camrose: 780-672-4426
 - Average setup cost: \$300.00
 - The deposit is held for one year. If you have perfect payment history then you will receive it back, either as a credit on your account or as a cheque.
 - **TELEPHONE** (landline – if you require one):
 - Telus: 310-3100
 - Average setup cost: no cost
 - **ACTION ITEM:** Utility set-ups/transfers need to be done before you move in to your home. You can inform the utility companies of your possession date for the date to start charging.

- can/should be done a month in advance

e. Tenant/Renters Insurance

- While you are a tenant of the home, Home Insurance is under Habitat's name. A small amount of your monthly payments includes the cost of this Home Insurance.
- It is your responsibility to obtain Tenants/Contents Insurance, which insures the contents of the home
 - As with utilities, you can inform your insurance company of the date of your move and have your coverage start at this date. You can have this set up a month in advance of your move.
 - If you already have contents insurance from your current residence, you may just have to inform the company of the change of address.
- **ACTION ITEM:** Before you move in, you will need to have Tenant/Content Insurance in place.

g. Home Inspection checklist

- Prior to moving in, we will do a "walk through" inspection of the home and note any issues.
- **ACTION ITEM:** We will schedule the walk through with you.

You can use the checklist in Appendix II to help prepare yourself for move in day.

[Check list: Fixed Term Tenancy – Getting Ready to Move In](#)

3. Move In Day

a. Key Ceremony

- What is it?
 - Before you move in we will be having a Key Ceremony where we officially present you with the key to your home.
 - It is a public celebration for helping another family into homeownership.
 - Community, dignitaries (i.e. Mayor, MLA) and media will be present
- **ACTION ITEM:** What is expected of myself and my family?
 - It is expected that your entire family be present for this ceremony
 - Dress nicely and appropriately for meeting the public and media
 - We would appreciate if you could say a few words if even just, 'Thank you,' to the community.
 - Habitat and media will be taking pictures of you. Habitat will arrange to meet with your family before the ceremony to take some special promotional pictures.

b. Moving In

- As soon as the Key Ceremony is complete you may start moving in
- **ACTION ITEM:** Before moving in you will want to make sure that:
 - You have switched your power, utilities and water (see above)

- You have Tenant Insurance (see above)

c. Appliance Warranty

- Habitat homes come with the following appliances: microwave, stove, fridge, furnace, hot water tank.
- It is the responsibility of the home owner to register any appliances for warranty.
- Habitat Camrose cannot register for warranty on behalf of you and it is not already in place when the appliances are installed.
- **ACTION ITEM:** If you want warranty coverage on any of your appliances, etc, in the house, do so.

PART E: MORTGAGE AGREEMENT

1. Signing Your Mortgage Agreement

a. When do you sign your mortgage?

- Once you have completed your one-year Fixed Term Tenancy and have fulfilled your responsibilities as follows, Habitat will direct their lawyer to prepare the mortgage documents:
 - Made all your payments on time
 - Maintained your home
 - Have been a respectful member of the community and neighbourhood
 - Sweat equity must be completed
 - Homeowner Seminars must be completed

b. Top reasons for not being able to sign a mortgage:

- 1) Not making payments
- 2) Not making regular payments
- 3) Injury, illness, etc

b. Getting ready to sign

- Prior to signing the mortgage document, Habitat will need to complete a walk-through of your home.
- Prior to signing the mortgage document, you will need to let us know the following requirements are in place:
 - \$1,000 for the legal costs.
 - Provide a new, detailed credit check
 - Credit checks can be obtained online through Equifax
http://www.consumer.equifax.ca/home/en_ca
 - Home Insurance ready to go.
 - When you are under the FTT, the Home Insurance is under Habitat. When you sign your mortgage, you are responsible for the Home Insurance.
 - Call your insurance company and let them know the date you will be signing your mortgage and taking possession of your home. Your Tenants Insurance can be transferred to Homeowners Insurance.
 - Bring proof of homeowners insurance to Habitat before your mortgage signing.
 - Homeowners insurance covers the building and contents
- All adults on title will need to be at the mortgage signing

You can use the checklist in Appendix III to help prepare yourself for signing your mortgage.

[Check list: Checklist – Signing Your Mortgage Agreement](#)

2. Your Mortgage

- You can see a draft of a mortgage document [here](#).
- Note:
 - Structural Changes (Clause 6)

- Home business (Clause 7B)
- Maintenance of your home (Clause 9) (See also 4a of this document)
- Default (Clause 12, 13)
- When to move on/Right of First Refusal (see Part F of this document)

3. Mortgage Payments

a. Your mortgage is calculated to be 30% of your annual gross household income.

- The 30% calculation includes:
 - Principal payment – paid by homeowner to Habitat
 - Property taxes – paid by homeowner to Habitat (Habitat pays the City on your behalf)
 - Homeowners insurance – paid by the homeowner directly to the provider of your choice. (Habitat uses your premium to calculate your total payment).
 - Note: See FTT example on Page 14

b. What does my annual mortgage statement mean?

- Each year when Habitat recalculates your mortgage payment, you will receive an annual mortgage statement.
- It will detail:
 - the amount you've paid toward the principal
 - the balance owing on your mortgage
 - the remaining number of years it will take to pay off the mortgage assuming your payment remains constant.
- If your income increases, your payment increases, and the number of years to pay off your mortgage decreases. And vice versa if your income decreases.
 - You will be required to submit Line 150 of your tax return on an annual basis for your mortgage payment calculation.

4. Your Responsibilities

a. Home Maintenance

- When you move into your Habitat home you are responsible for home maintenance.
 - It is important that you save for these important expenses (see 'savings' above)
 - [Maintaining a Healthy Home Module 4 – Homeowners Education Program](#)
- List of common home maintenance issues:
 - Furnace goes out
 - Furnace Repair Cost. The average price homeowners pay for a furnace repair is roughly **\$300**. Most homeowners paid between **\$160** and **\$400** to have their furnaces fixed. At a minimum, homeowners spent \$50 for the furnace repair, while at the high end, the maximum cost was \$800.
<https://www.homeadvisor.com/cost/heating-and-cooling/repair-a-furnace/>
 - Furnace replacement
 - The average life of a well-maintained furnace can be as long as 25 years. But that means you need to maintain your furnace. That means:

- consistently changing the filters (at least once per season, if not more); paying for semi-annual or annual inspections
 - personally inspecting and cleaning the furnace's different components (such as fan and blower) on a regular basis
 - ATCO can be contacted on an annual basis to inspect your furnace for no charge (780-310-5678)
 - Do all this and your furnace could easily last 25 years. Neglect this work and you may only get 10 to 15 years, give or take. <http://www.moneysense.ca/spend/real-estate/renovations/replace-the-furnace/>
 - "Expect to pay about \$2,500 *at the minimum* for a new furnace including installation. On average, for a high-efficiency furnace with at least two stages, most homeowners in Canada will pay somewhere between \$2,500 and \$5,000 when all is said and done." <https://www.furnaceprices.ca/>
- Hot water heater
 - Replacement: The cost of replacing a water heater in Canada can range from \$105 to \$8,300, with the average cost being \$1,466. <https://www.yellowpages.ca/tips/how-much-does-it-cost-to-replace-a-water-heater-in-canada/>
 - Water heaters have an average lifespan of 5 years.
- Toilet or drains plugged
 - Plumber rates can be anywhere from \$45 - \$150 per hour
- Shingles blown off
 - \$1,700 - \$3,000 depending on damage and replacement area
- Siding blown off
 - \$3 - \$10 per installed square foot
 - www.sidingestimator.org
- Appliances breakdown
 - New Stove - \$700 - \$1000
 - Microwave - \$200 - \$600
- These are the contractors that worked on your home:
 - Plumber/gas fitter Clockwork Plumbing & Gasfitting
Travis Csernyanszki 780.781.7622
 - Electrician JTB Electric
Jarrod Banack 780.878.1776
 - Furnace/Heating (?) KRM Heating
Randy Kross 780.417.4044
 - Roofing Dura-Con Concrete
Joel & James Wiebe 780.608.3180
- Other Resources:
 - Appliance repair Easy Save Appliances 780-672-7199
 - Landscaping FT Aggregates 780.608.7125
- Check your yellow pages, neighbours, etc for other contractors to use.
- ATCO Gas can be called once a year to check on the safety of any gas appliance. 780-310-5678

b. Appliance Warranty

- It is the responsibility of the home owner to register any appliances for warranty (stove, hot water tank, and fridge, etc).
- Habitat Camrose cannot register for warranties on behalf of you and it is not already in place when the appliances are installed. This should have been done when you originally moved into your home. (Fixed Term Tenancy)
- Make sure to store all appliance manuals in a safe place for future (warranty card/sheets should be with the manuals)

c. Mortgage Insurance

- Mortgage or life insurance is a protection for your family. The coverage can be for life insurance that will cover the outstanding mortgage in the event of a mortgage holder's death and/or disability insurance that will give you an income in the event of a disabling injury of illness.
 - Life insurance companies provide various options for life insurance and disability insurance including ones that are mortgage balance dependent and one that are not.
 - It is best to talk to more than one company for your best financial option.

d. Home Insurance

- You are responsible to cover your home with Home Insurance. In fact, this requirement is included in your legal agreement with Habitat when you sign your mortgage.
- This means that if you fail to obtain or hold home insurance, you are in default of your mortgage agreement. Habitat will insure the home for the remaining mortgage balance only to protect our interests. Your interests are not covered. Habitat will invoice you for the payment of insurance.

e. Home Warranty

- Habitat offers new home warranty coverage identical to Alberta New Home Warranty. Details are [here](#).
- If you are moving in to a previously built home, warranty is still in effect based on the original occupancy date of the home.
- This warranty does not apply to homes built prior to 2013.
- [Alberta New Home Warranty Guide](#)

5. Annual Check-in

Each year you will be responsible for checking in with Habitat. These check-ins will require:

- meeting with the Executive Director or Project Coordinator
- submission of income Line 150 or your CRA Notice of Assessment
- Certificate of Home Insurance
- Home Insurance Premium

- As part of your mortgage calculation, we need to know what your Insurance premium is.
- review of any home maintenance issues
- review of financial budget and goals
- [Partner Family Annual Survey](#) (Appendix V)

PART F: MOVING ON

1. When am I prepared to move on from my Habitat Home?

If you are thinking it's time to move on from your Habitat home, how will you know if your life will be better in another home? There are many things to consider.

- Talk to your banker to know what amount of a mortgage you qualify for.
- The economics of moving to market rental or ownership. What am I gaining from being in a Habitat home?
- How much equity do I have in my Habitat home? Is this enough money for a down payment on another home?
- Will I be saving more money by obtaining regular mortgage? Or would it make more sense to stay in my Habitat home?
- How much is the average home in Camrose? How old is it? What does this mean for maintenance, upkeep, energy efficiency?
- What would the community be like, quality of the neighbourhood, school, proximity to amenities, etc.? How will it affect my commute time?
- How much of a down payment do I need for an average home in Camrose?
- How much of a down payment do I need to *upgrade* from my Habitat home?
 - The down payment is based on the purchase price of the home.
 - A [Canada Mortgage & Housing Corporation](#) (CHMC) insured mortgage down payment is a minimum of 5% of the value of the home, plus a mortgage insurance fee.
 - For a conventional mortgage, the minimum down payment is 20% down.
- How much will the payment be?
- How much of my payment goes to interest? What is the impact of interest on the payments?
 - Monthly payments are comprised of principal and interest. During the early years of a mortgage a larger amount goes to interest.
- Here are some websites to estimate costs of a traditional mortgage
 - [Government of Canada Mortgage Calculator](#)
 - [Mortgage Payment Calculator Canada](#)

Click [here](#) for a link to average living wage costs to live in Camrose.

2. What happens if I decide I am ready to sell my Habitat home?

If you make the decision that you want to sell your Habitat home, we require that you have a meeting with the Executive Director to go over your options.

In most cases, it is recommended that you stay in the home long enough to build equity.

a. Right of First Refusal.

- Habitat has a right of first refusal.
 - You can see this document [here](#).
- Habitat has 90 days to let you know whether or not we will repurchase the home from you, or will advise you that you can sell the home yourself on the open market.

b. Equity in your home

- Equity established through mortgage payments will be paid to the partner family, minus the cost of undertaking any deferred maintenance on the home as determined by an independent appraisal.
- The Partner Family has no interest in the appreciation (or depreciation) of the home.
 - I.e. Appraised value of the home upon original move-in date = \$200,000
Appraised value of home in 10 years when family would like to sell = \$240,000
The family makes \$10,000 in mortgage payments per year x 10 years = \$100,000
your equity
Appreciation = \$40,000 Habitat's

c. 1st Walk-Through Inspection

- There will be a walk-through inspection by Habitat construction staff to determine the cost of necessary maintenance/repairs.
- You are responsible for maintenance/repair/cleaning of your home before sale.

d. 2nd Walk-Through

- There is a walk-through 2 days before possession to determine if the home is clean and repairs are done.
- If not:
 - Any outstanding repair and cleaning costs (holdback) will be deducted from your total principal payments.
 - A holdback is funds that are held back in trust by a lawyer until the above has been completed.
- If repairs and cleaning are completed by you to the satisfaction of Habitat staff:
 - Equity established through mortgage payments will be paid to the partner family

PART G: FAQ

1. What happens if I get a property tax notice from the City of Camrose?

- This is an error since you pay your property taxes to Habitat and we send them to the City of Camrose on your behalf.
- Please forward your property tax notice to Habitat and we will correct the error with the City of Camrose.

2. What happens if I miss a payment?

- Yes, you will have to make up the payment. Contact us as soon as possible for details.
- You will receive an email notification reminding you to make your payment. Please do so as soon as possible.
- If your account is 30 days overdue, you must meet with the Executive Director to determine a plan to catch up on your payments.
 - We will do our best to work with you in difficult financial circumstances; we sincerely want all of our families to succeed.
 - However, if no reasonable solution is found and your account becomes 90 days overdue, Habitat will take legal action to end its partnership with you.
 - Making all your payments and making them on time is a legal obligation of your partnership with Habitat.
 - **If you encounter financial challenges, it is always best to contact Habitat and work with the Executive Director on a solution. Do not delay.**

3. What happens if there's a family crisis and my income is affected?

- In rare and exceptional circumstances, Habitat may temporarily reduce your payment to help your family get back on its feet.
- Generally, Habitat will reduce payments for up to 3 months, but only in the event of serious illness and/or loss of income.
- Reduction of payment is not a permanent solution. It is meant to provide temporary payment relief.
- Situations will be evaluated on a case by case basis.

4. What happens if there is a problem with my home or if it needs repairs?

- Once you move in to your Habitat home, you are responsible for maintenance like any other homeowner.
- In some occasions we will partner with you to fix the problem. Please contact the Executive Director.
- See [Home Maintenance](#)

5. What if I would like to make changes to my home?

- During your tenancy period (FTT) you must ask Habitat Camrose about any changes you would like to make to your home, including simple things like changing paint colour.
- Once you sign your mortgage contract you may make changes that you would like. However, if it requires a permit from the City (ie major changes such as a deck, addition of a garage, garden shed, etc) then you must contact Habitat for permission.

PART H: APPENDIX

Questionnaire at First Meeting with New Applicant

How did you hear about Habitat for Humanity?

What is your understanding of Habitat for Humanity?

Three Selection Criteria:

1. Need of Adequate Shelter

- Is your home in poor repair?
- Is your home in an unsafe area?
- Is your living quarters inadequate for your family?
- Is your rent too high (more than 30% of income)?
- Have you applied for a conventional Mortgage?
- Have you declared Bankruptcy in the last 3 yrs.?

2. Ability to Pay

- Is your income within the following ranges based on your family size?

2016 core Needs Income Threshold (CNIT) for Camrose Alberta

Required Living Space	Bachelor	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms +
Maximum Allowable Income	\$33,000	\$36,500	\$44,500	\$56,000	\$56,000 - \$64,500	64,500 +

- Do you understand that your mortgage payment which includes principle payment, taxes and Home insurance cannot be more than 30% of your gross income?

- What is your Debt to income Ratio? Housing costs and debt repayment cannot exceed 40% of your gross income.
- Can you save \$1500.00 for closing costs?
- Do you have a good credit bureau rating?
- Do you have any Savings?

3. Willingness To Partner

- Do you understand what Habitat is all about?
- Do you understand you need to complete 500 hours of Sweat Equity?
- Do you understand you will appear in newspaper, etc.?
- Do you understand you must make your payments without default?
- You will sign a letter of Acceptance once you have been accepted.
- Are you comfortable with us contacting your landlord, employer and personal references?
- Are you willing to attend Habitat functions?
- Do you realize it's your responsibility to maintain your home? Give an example of when you fixed something.

Appendix II: CHECKLIST - Fixed Term Tenancy - Getting Ready to Move In

One month before move-in date

- most recent Notice of Assessment
- current credit check
- first month's tenancy payment
- damage deposit (\$500)
- Utilities set-up – gas
- Utilities set-up – electricity
- Utilities set-up – water
- Utilities set-up – phone
- Renter/content insurance

When sign Fixed Term Tenancy Agreement

- Pre-authorized debit form from your bank
- Void cheque

Appendix III: CHECKLIST - Signing Your Mortgage Agreement

One month prior to wanting to signing your mortgage:

- Current Credit Check (Equifax)
- \$1,000 for Lawyer fees (approximately)
- Homeowners Insurance
- Savings in your bank account for home maintenance needs

Appendix IV: Partner Family Profile

Partner Family Profile Questionnaire

Letter to Accompany Family Profile and Photo Form

Re: Partner Family Profile and Photo

When you signed the partnership agreement with Habitat for Humanity, you were asked to sign a publicity/media release form, giving Habitat for Humanity permission to use your personal information. At that time, we mentioned that we would be asking you to complete a Family Profile and to provide Habitat for Humanity with a photo of your family.

Enclosed is a copy of the Family Profile form we will be asking you to complete. If you wish, a Family Services Liaison or a member of our staff can assist you.

Habitat is sensitive to your personal situation. We will try to promote your family in the best possible light. By completing a Family Profile form, you provide information you agree to have published about your family. We only expect you to be as detailed answering the questions as you feel comfortable doing. You do not have to write down anything that you are not comfortable sharing about your family.

From this information, we will create a one-page story about your family.

Once the profile is complete, you will have the final approval of the contents of the profile. As part of your profile, we would like to include a photo of your family. Please provide a family photograph or we can arrange to take one for you.

Your Family Profile and photo may be used in one or several of the following:

- on our website
- shared with donors, staff and volunteers who require information about you
- for press releases
- on signs promoting the work of Habitat for Humanity
- in newsletters
- Habitat for Humanity Annual Report

Family Name: _____

Please provide the names of the members of your family that will be living with you in your new home.

Family Member	Relation

Please write your family story up to, applying for, and, if applicable, after receiving, your Habitat home. If you need guidance, you can include answers to the questions below. They are only a guide, please do not just answer the questions as they appear. Only include information in your story that you are comfortable with the public knowing about our family.

1. How did you learn about Habitat for Humanity?
2. What brought you to apply for a Habitat home? What challenges were you facing?
3. Describe why you want to be a homeowner. How do you think purchasing a new Habitat home will change you and your children's future?
4. What will be the first thing you do when you move in to your new home?
5. What does 'home' mean to you?
6. Do you have anything else you want to share with us as a part of your Family Story?

Appendix V: Partner Family Annual Survey

Five important questions about your personal finances.	Always	usually	sometimes	never	don't know
1. Have you been able to save more money than a year ago?					
2. Are you able to pay all your bills, including credit card charges, completely every month?					
3. Are you able to pay your bills each month without having to use borrowed money from a loan, credit card or line of credit?					
4. If you had an unexpected expense, such as an emergency car repair, or need for a new furnace, could you pay for it?					
5. Do you put a reasonable amount of money each month into a long term investment fund for retirement?					
6. Do you have no worries or stress about your finances?					

Appendix VI: Other Learning Opportunities

What is listed below is just a starting point for resources and information that is available.

COMMUNITY PROGRAMS

- [CDSS help book](#) – Everything that is available in Camrose, including subsidies for sports, free children’s programs, etc.

PERSONAL FINANCE RESOURCES

Courses

[CALC Money Smart Challenge](#) (Camrose & Area Adult Learning Council)

Websites

<https://www.mymoneycoach.ca/>

Personal Finance Blogs

<https://www.halfbanked.com/blog/>

<http://www.mrmoneymustache.com/>

<http://earlyretirementextreme.com/>

Mortgage Calculators

- Use this calculator from Canada Mortgage and Housing Corporation to compare your income with your current or planned expenses and debt payments and see what kind of mortgage you can comfortably fit into your budget.

https://www.cmhc-schl.gc.ca/en/co/buho/buho_022.cfm

- Amortization Calculator - Calculate an amortization payment schedule for input mortgage terms.

Canada Mortgage <http://www.canadamortgage.com/calculators/amortization.cgi>

- Use these calculators to compare your options and find the mortgage payment amount that best suits your needs.

TD Bank <https://tools.td.com/mortgage-payment-calculator/>

Scotia Bank <http://cgi.scotiabank.com/mortgage/payment/en/payment.html>

CIBC <https://www.cibc.com/ca/mortgages/calculator/mortgage-payment.html>

RBC <http://www.rbcroyalbank.com/mortgages/mpcrds/start.html>

Large Purchases

- Vehicle Purchase
 - Determine how much you're willing and able to spend on a car and how much your payments will be before heading to the dealership.
<http://www.practicalmoneyskills.ca/calculators/calculate/autoloan.php?calccategory=auto>

Credit & Debt

- Determine how much you are really paying for a specific loan or credit card purchase, decide whether you should consolidate your debt, or start saving for an emergency fund using the resources here.
http://www.practicalmoneyskills.ca/calculators/land_creditDebt.php

EDUCATION & SKILLS TRAINING

[Government of Alberta](#) - Helping individuals get back to work through workplace skills and training programs.

[Athabasca University](#)

[SAIT](#)

[NAIT](#)

[Norquest College](#)

[CDI College](#)

[Grand Prairie Regional College](#)

[Red Deer College](#)

[MacEwan University](#)

Upgrading

[Battle River Alliance for Economic Development](#)

Employment training - This section is dedicated to skills upgrading that will improve the knowledge and performance of today's workforce.

[Camrose & Area Adult Learning Council](#) (CALC)

[Alberta Distance Learning Centre](#)

Complete your high school diploma, improve your high school marks, learn a new skill, or fulfill post-secondary requirements.

[Government of Alberta](#) – Distance Learning Information