



Habitat for Humanity of Kent County Accelerated Homeownership Program

Participating Lender Requirements

- Lender must be a fully regulated and licensed financial institution.
- Mortgage payment (PITI) must not exceed 30% of monthly income or 43% of overall debt to income for the month.
- Mortgage must have a fixed interest rate and be fully amortized (no adjustable rate mortgages, balloon payments, negative amortization, or interest only loans).
- Mortgage term should not exceed 30 years whenever possible, and must never exceed 40 years.
- Must have staff committed to working with low-income buyers who may need some time to become pre-approved
- Must demonstrate a commitment to being an equal housing lender
- Must be willing to communicate and coordinate with Real Estate Development Specialist or Director of Community Development should there be a perceived gap between Habitat listing price and lender's appraisal with the goal of verifying accurate and appropriate market value in the interest of properly structuring the loan. Potential discussion will likely be related to Loan to Value (LTV) ratio
- Shall agree to verify income and household size or provide certification of Area Median Income (AMI) which shall not be greater than 80%. Then, upon signed release of the potential borrower, provide that information to Habitat for Humanity Kent County along with a pre-approval letter for borrowing up to the property listing amount.
- Must be willing and able to lend on a property with a 40 year homeowner-occupancy deed restriction.
- Must be willing and able to work with borrower who may be applying for various Down Payment Assistance programs in order to get the loan principal down as well as reduce the debt to income ratio within satisfactory lender program limits. DPA sources include, but are not limited to: MSHDA, City of GR, IDA program, and Federal Home Loan Bank.
- Must be willing to allow Habitat on mortgage with 2nd position securing "gifted equity" should Habitat have to sell for less than appraised value due to its pricing policy.
- Must be willing to work with Habitat to be able to reacquire the home in the case of foreclosure.
- Must be willing to explore option to preserve affordability of home long term such as, but not limited to Habitat to having first right of repurchase upon resale, when possible
- Must be open to accommodate buyers who speak English as a second language by offering interpretation and/or translation services
- Open to exploring options for financing shared-equity ownership models such as Community Land Trusts
- Will sign a formal partnering agreement with Habitat for Humanity Kent County covering areas such as: potential buyer referrals, sharing of buyer data, access to education opportunities for buyers, first right of repurchase, reacquisition of foreclosed homes, and open to allowing Habitat on mortgage with 2nd position as needed to maintain affordability