



Homeownership Program Letter of Acceptance

This letter is to inform you that you have been **selected** to purchase a house (hereafter referred to as the Habitat Home), which will be constructed by you and Lake Agassiz Habitat for Humanity (hereafter referred to as LAHFH or Habitat for Humanity) with anticipated start date of Spring 2022. This letter is not a contract. It states our mutual understanding, but it lacks the specific elements needed to form a contract (i.e., selling price, when construction will be complete, specific house plans, etc.).

This letter is to help you understand what is involved in Habitat for Humanity's partnership ministry. By acknowledging this letter, you are indicating that you understand this partnership and that you will complete the requirements outlined in this letter to ultimately purchase a Habitat Home. You are also agreeing to become a partner in the ministry of Habitat for Humanity.

Prior to Habitat for Humanity's agreeing to sell you the Habitat Home, you and your family will need to agree to the following requirements:

1. **Sweat Equity:** To work at least 250-500 "sweat equity" hours per household as a Habitat partner in compliance with LAHFH Sweat Equity Policy. (Please see the attached Sweat Equity Policy and Procedures document for more details.)
(Initial _____ Initial _____)
 - a. Hours must be completed in a timely fashion, with a minimum of 12 hours per month until your house is completed. Some months will need to have many more than others. You will be expected to keep earning sweat equity hours, even if you reach the minimum requirement for your family.
(Initial _____ Initial _____)
 - b. Habitat for Humanity will not pay you or compensate you for any of these sweat equity hours if you and your family decide to leave the Habitat partnership or your partnership is otherwise terminated.
(Initial _____ Initial _____)
 - c. You will be provided with a schedule of work dates and hours available. You and your family are welcome to work during these hours whether you are skilled in construction work or not. In addition, we may be able to provide opportunities for you to volunteer in other ways.
(Initial _____ Initial _____)
 - d. Your family is responsible for keeping track of all sweat equity hours electronically. Any hours not recorded in the month will not count towards your total.
(Initial _____ Initial _____)
 - e. You will continue to be involved with Habitat for Humanity after moving into your home. We would like our partner families to fulfill 50 more hours of sweat equity in the first 5 years of homeownership (minimum 10 hours/year).
(Initial _____ Initial _____)

2. **Homeowner classes and workshops:** To attend a series of homeowner training/information sessions and workshops that will cover many topics relating to homeownership. These sessions will include information regarding home maintenance, budgeting, mortgage payments, and city ordinances. Dates and locations will be provided. Attendance at educational classes will count as sweat equity hours (approximately 35-45 hours).
(Initial _____ Initial_____)
3. **Publicity and fundraising:** To be prepared to share your story, as well as your family's, in LAHFH publications and area media (newspaper, radio, TV news, Internet, etc.). This will include photographs of you, your family, and the home. This will also include publication of the home's address. (Interview time counts as sweat equity). Attend Wall Raising & Home Dedication for your home.
(Initial _____ Initial_____)
4. **Positively represent LAHFH:** To interact with all staff, volunteers and/or partners in a positive manner. Negative written or verbal public comments or complaints about LAHFH, the home, its policies or personnel, including social media, will not be tolerated.
(Initial _____ Initial_____)
5. **Work with LAHFH volunteers:** To work closely with volunteer Family Mentors, Crew Leaders, committee members, build site workers, ReStore assistants, etc. and must do so in a positive and cooperative manner. Habitat for Humanity is rooted in community participation. As a positive representative of LAHFH, you are expected to contribute in a constructive manner with all LAHFH volunteers.
(Initial _____ Initial_____)
6. **Financial responsibilities:** To clear up any outstanding judgments or existing liens 60 days prior to the projected closing date. Your family agrees not to incur any additional judgments, county liens, or excessive debt (including collections) while in the partnership process nor will your family get into a financial situation which would compromise the ability to pay a mortgage.
(Initial _____ Initial_____)
7. **Homeowner's insurance:** To provide LAHFH with proof of homeowner's insurance at the closing and pay for the first year of homeowner's insurance, prior to closing (~\$800-1,200).
(Initial _____ Initial_____)
8. **Closing:** To attend and participate in the closing on your home, including execution of documents LAHFH deems necessary or useful in accomplishing the sale to you and evidencing your ongoing obligations to LAHFH and other participating parties. In addition, you are required to be prepared to pay ~\$2,000 for closing costs and initial escrow deposit, in accordance with federal policy.
(Initial _____ Initial_____)

9. **Mortgage and Escrow Payment:** To stay current with your monthly mortgage and escrow payment. In the spirit of partnership, you will set up automatic electronic payments. LAHFH reserves the right to begin foreclosure proceedings if your family defaults on the Habitat Home.

(Initial _____ Initial_____)

10. **Maintain the Home and property:** To protect the value of your home by performing &/or arranging repairs and routine maintenance, keeping your yard clean & free of debris, and taking care that your property meets or exceeds community standards for cleanliness and neatness.

(Initial _____ Initial_____)

Your acceptance as a LAHFH Partner Family is based on the information contained in your application. In the event that Habitat for Humanity determines that this information was inaccurate, there is a negative change in your financial situation (such as loss of employment), or your family otherwise qualifies under the LAHFH De-Selection policy, Habitat for Humanity reserves the right to de-select you as a Partner Family. You should notify LAHFH as soon as possible if there is a significant change in your situation. Failure to report to the LAHFH office within 30 days any change in your contact information, marital status, number of children, work, income or any other item covered in the application may result in your removal as a "Partner Family". You may be required to complete another application and the newly acquired information may disqualify you from partnering with LAHFH.

You have the option to remove your family from the program at any time if you feel that you are unable to fulfill any of the requirements outlined in this letter or any of the LAHFH policies.

By signing this letter, Habitat for Humanity is indicating that if your family fulfills the requirements outlined in this letter and in all LAHFH policies, Habitat for Humanity will:

1. **Work with you in developing a plan for a simple, decent home for you and your family.** At the appropriate time, we will review with you the estimated cost of the Habitat Home, the time when construction is estimated to be completed, and other matters.

(Initial _____ Initial_____)

2. **Construct a Habitat Home.** Many materials and the money used to build Habitat Homes have been donated and the home will be built with your own and volunteers' labor. While Habitat for Humanity will make reasonable efforts to complete the home in accordance with the plan, it is unable to promise that all houses will be built according to the plan, or that all houses will be built. Therefore, *Lake Agassiz Habitat for Humanity cannot guarantee completion dates or the total selling costs of the houses it builds.*

(Initial _____ Initial_____)

3. **Sell your family a home as is.** Habitat Homes are constructed utilizing volunteer labor and may contain flaws. Habitat Homes will pass any and all city/municipal inspections and will be sold to your family as is. Any repairs, upkeep, and/or maintenance after the time of occupation are ultimately the responsibility of the homeowner.

(Initial _____ Initial_____)

4. **Sell you a home with an affordable, not-for-profit mortgage.** Habitat for Humanity will agree to sell a home to you and finance the purchase price with an income based, not-for-profit mortgage basis upon completion. In addition, other legal documents will be prepared and signed. In certain instances, interest or a service fee may be applied to your Habitat mortgage.
(Initial _____ Initial_____)

5. **Provide you with a schedule of monthly house payments,** before you move into your new house. These monthly house payments will include payments for insurance, specials (if any), property taxes and the mortgage. In most circumstances, Habitat for Humanity will hold a mortgage on the house which will be released when you have finished making all your house payments.
(Initial _____ Initial_____)

6. **Provide a deed containing a purchase option** that will allow LAHFH the option to repurchase your house in the event you decide to sell it in the future. In addition, at closing you will sign a second note and mortgage that provides that in the event you sell the house, you may have to repay Habitat for Humanity a portion of any profit you realize.
(Initial _____ Initial_____)

7. **In addition, federal funds may have been contributed for the purchase of your property;** these funds may be repaid if you choose to sell/move from the property before the expiration affordability period. The details will be explained in a pre-closing meeting.
(Initial _____ Initial_____)

8. **Reserve the right to sell the mortgage at a future date.** The sale of your mortgage will not affect your status as a Habitat homeowner or your ownership in the property, and there would be no change in your mortgage payments. If LAHFH elects to sell your mortgage, you are required to provide LAHFH any documentation required for the sale of the mortgage.
(Initial _____ Initial_____)

9. **Reserve the right to partner with other organizations.** Organizations include but are not limited to, USDA Rural Development 502 program, Cass Clay Community Land Trust.
(Initial _____ Initial_____)

10. **Things out of LAHFH's control.** There are many factors that are beyond the control of the staff at LAHFH, such as health crisis, weather disasters, material delays, staffing, house completion dates, etc. We ask that you are patient and flexible with us as we navigate many uncertainties in every day life.
(Initial _____ Initial_____)

You and Lake Agassiz Habitat for Humanity both understand that we must complete the requirements set forth in this letter and that we need to live up to the spirit of Habitat for Humanity's partnership housing program. Your initials by each item represent that you understand and agree with each requirement. If you are unable to meet these requirements, we will not be able to continue the partnership and you will be de-selected, in accordance with LAHFH policy.

To confirm your understanding and desire to become a LAHFH Partner Family, please review and sign this letter and return one copy of this letter by **Friday, February 11, 2022** to:

Lake Agassiz Habitat for Humanity
Attn: Brianna
P.O. Box 1022
Moorhead, MN 56560

You should also contact Brianna Gruenberg (218) 359-0814 to schedule a one-on-one meeting for the week of Feb. 14th-18th to go through additional forms and policies.

Congratulations, you are about to begin a sometimes difficult, sometimes fun, but extremely rewarding and life-changing experience. Habitat for Humanity will support you throughout the process by providing you a "hand up" as you work to achieve home ownership.

Sincerely yours,



Jim Nelson, *Executive Director*
Lake Agassiz Habitat for Humanity

Encl Required Payments Form; Homebuyer Savings Plan; Sweat Equity Policy

cc Brianna Gruenberg, *Family Services Coordinator*

I have read, understood, and agree to the contents of this Letter of Acceptance:

Prospective Owner

Date

Prospective Owner

Date