

- What do you mean by “affordable” mortgage?**
According to the US Department of Housing and Urban Development, affordable housing means paying 30% or less of your income on housing costs. Habitat partner families must save a \$2,000 down payment, which helps to cover closing costs and the first year of homeowner’s insurance. The family’s monthly mortgage payment is set at an affordable rate determined by their monthly income and is below/meets the 30% threshold of affordable housing.
- What makes Habitat different from a regular mortgage, if the family still has to pay?**
The family’s monthly mortgage payment is set at an affordable monthly payment, determined by their monthly income, and meets the 30% threshold of affordable housing. This is different than a conventional mortgage where the payment is typically set by debt to income, not the 30% affordability standard.
- What happens if a Habitat homeowner doesn’t make their mortgage payments?**
Habitat’s lending arm, Habitat Capital Resource Corporation (HCRC) will work with homeowners who are willing to participate in foreclosure prevention activities. HCRC will do what it can to assist homeowners to stay in their homes, including connecting them with other agencies and support organizations/opportunities that can help them get back on track.
- What happens if a Habitat homeowner wants to sell their house later on?**
Homeowners can sell their home just like anyone else, however there are mechanisms in place to help maintain the affordability of the homes for a period of time after the first sale. Also, government funding providing affordability assistance to the homebuyer may require repayment if the home is sold within a specific timeframe.
- How is the value/sales price of the home determined?**
The sales price is determined by a fair market value established by a licensed appraiser.
- How much does it cost to build a typical Habitat house?**
The direct construction and leadership to build a home is around \$260,000.
- Where does Habitat get land to build homes?**
This can be accomplished in a number of different ways including, purchasing lots through the City and County Land Banks at a discounted price, on the open market as well as having homes or property donated.
- How long is the typical mortgage?**
Mortgages are 30 years.
- Tax abatement process?**
The City of Columbus offers a 100% real property tax abatement for 15 years in areas recognized as a Community Reinvestment Area, which are parts of the City where they encourage banks to invest to help low- and moderate-income (LMI) communities. This program is open to anyone, not just Habitat families.
- Do mortgage payments still come back to Habitat to fund future homes?**
Yes, and other operating costs.