

## Criteria for Prospective Owner Selection

Most HONK opportunities are available to households with incomes under:

| <u>Household Size</u> | <u>Income Under</u> | <u>Household Size</u> | <u>Income Under</u> |
|-----------------------|---------------------|-----------------------|---------------------|
| 1                     | \$53,500            | 5                     | \$82,550            |
| 2                     | \$61,150            | 6                     | \$88,650            |
| 3                     | \$68,800            | 7                     | \$94,750            |
| 4                     | \$76,400            | 8                     | \$100,850           |

*Note: Limits based on HUD's 80% AMI limits as of June 15, 2022 (subject to change). Some opportunities may be available to those with incomes slightly higher. Please enquire for details.*

### In addition to income guidelines, the prospective owner must:

1. Have a strong desire to be a homeowner and demonstrate a need for HONK's help
2. Have a steady income that can support a mortgage
3. Demonstrate that if they are not currently able to get a loan due to credit, that they have the ability to improve their credit to achieve a loan within 12-18 months
4. Demonstrate the ability to live within their means
5. Demonstrate through current living space that their home will be properly maintained
6. Work with HONK to perform 8 hours of service each month in:
  - Improvement of self and family
  - Community and/or church projects
  - Participating in HONK's program of homeownership
  - Repair and maintenance of property
  - Helping to stabilize the neighborhood
  - Assisting others to become homeowners

## The HONK Process and Program

**Apply to HONK:** applicant completes application and returns to Housing Opportunities of Northern Kentucky

**Interview by HONK:** staff or volunteers conduct an interview explaining the program in more detail and answering questions

**Selection Committee:** application and interview are reviewed by committee who makes recommendations as to the feasibility of homeownership for the applicant

**Approval / Rejection:** HONK staff notifies applicant

**Match Approved Client with house:** HONK staff works with approved client-family to identify housing needs and types of houses HONK currently has available

**Lease agreement:** HONK and client-family enter into a lease agreement

**Purchase agreement:** HONK agrees to sell and client-family agrees to purchase the property contingent on successful completion of HONK's homeownership program

**Lease phase:** 12-18 months, but may be shorter; family pays rent on time, pays all utilities, does all normal routine household tasks and maintenance, participates in HONK homeowner workshops, completes other homebuyer education and / or credit counseling programs

**Purchase:** By 18<sup>th</sup> month HONK sells house to Client-family