



Bend Area

**Habitat
for Humanity®**

And Crook County Chapter



HOMEOWNER PROGRAM MANUAL

PURPOSE

Bend Area Habitat for Humanity's (BAHFH) Homeowners Manual is not a contract of agreement. The Manual is intended to provide information relevant to the process of becoming a BAHFH homeowner.

For the purposes of this Manual the terms "homeowner" and "family" are used herein to refer to persons selected to own a home through the BAHFH program.

Revised 10/611

WELCOME!

Congratulations! As you know you have been selected to partner with Bend Area Habitat for Humanity to build a home for you and your family. We are excited about this opportunity and look forward to working with you.

Every hour you contribute during this process is an investment in your future for you and your family. Whether that time is spent in a workshop, on site, helping out at ReStore or meeting with volunteers, you and your family will be proud of the fact that you have a place to call home where you can welcome friends and family for years to come!

This Program Manual will help guide you through the overall process of becoming a Habitat Homeowner and will be a good resource for you when you need information regarding sweat equity, the construction process and what to expect once you move in and begin paying your mortgage.

Volunteers, staff, donors and other Habitat families are here to support and cheer you on! Be sure to utilize their knowledge and excitement as questions arise. Each person wants to help you accomplish the wonderful thrill of owning your own home! You have worked hard to get this far and we are proud of you for going after your dream- by working together, we will build you a home!

MISSION

Bend Area Habitat for Humanity, with God's guidance, works in partnership with the community and with families in need, to build quality, affordable homes in Bend and in Crook County.

Contact



Bend Area Habitat for Humanity

Office

1860 NE 4th Street

Bend, OR 97701

PH: 541/385.5387

FX: 541/383.1789

www.bendhabitat.org

Office Hours:

Monday - Friday 8:00 am to 5:00 pm

Closed Saturday and Sunday

See website for email contact information.



ReStore

740 NE 1st Street

Bend, OR 97701

PH: 541/312.6709

FX: 541-598-3041

www.bendhabitat.org/restore

Hours of Operation: Tuesday- Saturday 9:00 am to 5:00 pm, Closed Sundays and Mondays. Accepting donations: Monday – Saturday 10am – 4pm.

See website for email contact information.



541-447-6934

Store Hours: Thursday - Saturday: 9:00 am to 5:00 pm.

Donation Hours: Tuesday -Saturday: 9:00 am to 5:00 pm



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Habitat for Humanity Introduction



BEND AREA HABITAT FOR HUMANITY



Bend Area Habitat for Humanity (BAHFH) is a 501c(3) Oregon not-for-profit organization and is governed by a Board of Directors. The Board is comprised of a president, vice president, treasurer, and secretary and up to 17 other members.

On March 7, 1989 a group of concerned citizens in Bend met at the First Presbyterian Church to discuss the problem of low cost housing in Bend. They recognized the need for a local Habitat for Humanity. Bend Area Habitat for Humanity was incorporated on May 2, 1989 as a result of the meeting. Les Alford became the first Executive Director and to this day remains an active volunteer. Bend Area Habitat for Humanity began building their first home November 4th 1989. They received their nonprofit status one month later. In March of 1990 the first Habitat home in the Bend area was completed. The three bedroom home cost \$30,000 to build.

The ReStore, a building supply resale store, opened in 1996, as a part of BAHFH. Through donations from local suppliers, businesses, contractors and homeowners, new and used building materials and appliances are resold and recycled back to the community. The ReStore added a "gently used" furniture section in 2005. Proceeds support the Bend Area Habitat for Humanity's construction of affordable housing.

HABITAT FOR HUMANITY INTERNATIONAL

Since 1976, Habitat for Humanity International (HFHI) has built, rehabilitated, or repaired thousands of homes as it seeks to provide a decent house in a decent community for all of God's people in need. Using volunteer labor and donations, Habitat builds simple houses and sells them at no profit and no interest to people who do not have an adequate place in which to live. The ministry is a growing social and spiritual movement creating tangible results that affect people's lives.

The seeds of Habitat for Humanity International, Inc. were planted at Koinonia Farm, a Christian community in Sumter County near Americus, Georgia. In 1968, Millard Fuller, Lawyer and Businessman, and the late Dr. Clarence Jordan, scholar and farmer, began work aimed at dealing practically with the problems of substandard housing. The Biblical admonition of Exodus 22:25 provided what was to become the basis of the Habitat ministry: If you lend money to any of my people who are poor, do not act like a moneylender and require him to pay interest."

Koinonia Partnership Housing was established, and the Fund for Humanity became a reality. With a no-profit, no-interest loan program and with the assistance of many volunteer workers, Koinonia Partnership Housing provided a means by which people in need in Sumter County, Georgia, could obtain decent housing.

In 1973, Millard Fuller and his family moved to Zaire in Central Africa to see if this idea would work in a Third World setting. Koinonia along with numerous church denominations, organizations, and individuals gave to the Mdbandaka Fund for Humanity. The Fullers returned to the U.S, in 1976 and shortly thereafter, Habitat for Humanity was formed. The Board of Directors appointed Millard Fuller, Executive Director. Habitat for Humanity has expanded rapidly nationally and internationally in this movement of love in action. People are given a means to be responsible stewards of their resources, actively loving their neighbors as themselves. But most importantly, families in need are moving into comfortable, simple, affordable homes.

BENEFITS OF HOMEOWNERSHIP



When low income families have affordable homeownership the future of their children improves:

- 20% are more likely to graduate from high school
- 40% are less likely to be idle at age twenty
- Early adult earnings are 24% higher
- 35% are less likely to receive welfare
- 62% are more likely to acquire post-secondary education
- 33% are less likely to give birth as unmarried teenagers

Even at an early age, comparing children from two identical families (twenty other factors were accounted for), one renting and one owning their own home, there are statistically significant benefits:

- Math scores are 9% higher
- Reading scores are 7% higher
- Behavioral problems are 3% lower
- Home environment is 25% better



Individuals studied while renting, transitioning to homeownership, and then again three years after have shown substantial increase in self-esteem. It is also interesting to note that Homeowners have a greater voting participation rate. Psychological studies show higher levels of stress associated with multi-family dwellings vs. single family dwellings.

Homeownership Guidelines



OVERVIEW OF HOMEOWNERSHIP PROCESS

1. **New family orientation** -1 to 2 weeks after being notified of selection
2. **Review and sign Letter of Intent**- 1 to 2 weeks after selection
3. **Schedule and begin "Sweat Equity"**- immediately
4. **Sign up for classes and savings program**- immediately
5. **Attend monthly education meetings with other families and mentors** - ongoing
6. **Complete "Sweat Equity"**- 30 days prior to anticipated move in
7. **Work with your Mentor** - throughout process
8. **Run final credit report**- 30 days prior to anticipated move in
9. **Complete all requirements for matched savings program** – prior to closing
10. **Review payments, legal documents, etc.**- 45-60 days prior to anticipated move in
11. **Plan house dedication**- 30 days prior to anticipated move in
12. **Review final escrow documents**- last week before move in
13. **Sign final escrow documents**-same day as move-in
14. **House Dedication**- after closing, before move-in
15. **Move in!**



HOMEOWNER RESPONSIBILITIES

The following explains **your** responsibilities as a selected Habitat Homeowner. These are **not optional** so remember to communicate any concerns about the following immediately with your Mentor and/ or Family Services Manager.

Being responsible means:

- **You will sign several documents** verifying that you have entered into a partnership with Bend Area Habitat for Humanity. Our intent is to help ensure your success as a homeowner.
- **You agree to work with your Family Mentor** to ease the transition from renter to homeowner.
- **You agree to be responsible for communicating any change of status to Habitat in a timely manner.** (e.g., you plan on getting married; you plan on having someone else live with you; you start receiving child support, you win the lottery).
- **You will keep your credit in good standing.** It is especially important not to make any large purchases using your credit card during this process. Talk with your mentor or Family Services Manager to discuss your needs/concerns.
- **You complete the total number of sweat equity hours** assigned before moving into your house.
- **You are responsible for the accounting of your sweat equity hours.** No retroactive credit will be given for work not previously verified and approved. You will be given a sweat equity log (also available to download from our website).
- **You understand that from the time of acceptance, it may be one to three years before the completion of the house and move in.**
- **You must accept the responsibility for the upkeep of the home and property.**
- **You make monthly payments on time** by providing payment to



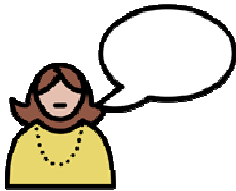
Habitat (using payment coupons you will be given at the closing of your home) by the first of each month, and no later than the fifteenth of each month.

Be On Time



Be on time to meetings, workshops, and on the construction site. This will help meetings run smoothly and allow all questions to be answered.

Communicate



This is a partnership and Habitat is here to help you through each step of the process. Keep the lines of communication open and ask your Mentor or the appropriate staff member if you're unsure about anything. Examples of things you should communicate with us on immediately:

- Change in job that might affect mortgage payments
- Loss of a job
- Want to go back to school?
Education plans
- Life changes that will affect your ability to work or pay your mortgage

Remember: we want to work with you!

Work Regularly



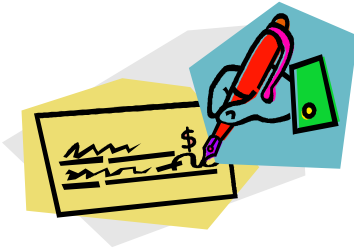
Your sweat equity hours, classes and savings program must be completed before you can move into your Habitat home. Be prepared and stay on schedule!

Attend Classes



Attending classes, workshops and meetings is **mandatory!** So do not miss them unless there is an extreme emergency and then see how you can make them up. BAHFH will **not** sell to you until you have successfully completed these and your savings program...so be wise and make the time to attend them!

Make Payments



Your mortgage payments are due on the first of each month thereafter until the note has been fulfilled. If you have a problem, let Habitat know as soon as it comes up so something can be worked out.

All of the above expectations are considered a part of your "Willingness to Partner" requirement. Should we need to base any decisions about homeownership placement we will look at our three guidelines: "Ability To Pay", "Willingness to Partner" and "Need".





“YOU AND YOUR MENTOR”

Being selected to become a Habitat homeowner is the end of one process and the beginning of a much more profound one. As a newly selected homeowner, you



are assigned a Family Mentor to ease you into the awesome and sometimes overwhelming commitment of home ownership. The *Mentor's role* is to provide communication between Habitat and the homeowner. The Mentor provides the assistance and support your family needs to make the transition into homeownership whether it is

help with budgeting skills, community resources or finding where in the Habitat family your strengths might be put to good use.

Some homeowners will require less involvement or assistance; others will need more hands-on assistance. *Throughout, the Mentor's main goal is to create self-reliance rather than dependence on Habitat.* The formal relationship between you and your Mentor ends six months after you move into the house depending on specific needs. Hopefully the friendship will remain for a lifetime.

We understand that the expectations of you in the following months are sometimes difficult. Opening up your life, your challenges or discussing your budget can make anyone feel vulnerable. However, we are not here to make any judgments. We hope that at the end of the process you will be proud of your accomplishments and recognize the effort you are making toward a rewarding future for you and your family. Your mentor is your cheerleader, your coach, and your support.

What Is Expected of My Mentor?

Your Mentor will have received training in their primary role before you meet; therefore, he/she should be aware the variety of ways in which they can support you and your family as you go through the process of homeownership. You and

your Mentor will continue to use this *Homeowners Manual* as a guide. Your mentor will receive training from the following checklist:

- VolunteerUp Database.
- The wealth of information on the Habitat website:
<http://www.bendhabitat.org/>
- Sweat Equity requirements. Your mentor will be required to monitor your progress in accruing sweat equity and meeting other goals. The Family Services Manager will provide you with a copy of your monthly sweat equity totals at each meeting.
- Budget and financial literacy best practices.
- A monthly review with you of your 12 month Spending Plan/Budget. You will also be asked to track your “actual spending” for a two month period and enter these amount into you “Budget vs. Actual” spreadsheet. All of this will assist you in planning for future mortgage amount and other debt payments, as well as fixed, variable, and periodic expenses. With your mentor you will also have the opportunity to address credit and debt issues and discuss additions to family or the possible loss of job.
- Together you will review the Matched Savings program as outlined on our website (<http://www.bendhabitat.org/homeownership/finance>). You will also review basic goal setting information.
- Your mentor will review with you the terms of income, assets, liabilities and Debt-to-Income Ratio. You will also discuss the phrase “Pay yourself first”, “Borrow from yourself first” and Interest rates and what it costs to borrow money.
- Your mentor will have visited current job sites to become familiar with simple, decent, affordable building standards.
- Together you will review construction site policies in the Homeowner’s Manual
- Your mentor will ask you if you aware of childcare opportunities and/or transportation options in the area? Let the Family Services Manager know if you need more information on resources in our community.

- Together you will review aspects of the Home Dedication and prepare for this final phase before Homeownership
- Will you need help in setting up or transferring utilities? Your mentor may be able to assist you with this.
- Review the list of Community Resources in the Homeowners Manual. Your mentor will ask you about your family needs and suggest resources to assist you.
- You will review the Habitat Purchase and Sale Documents and homeowner responsibilities. Most of these topics will also be covered in the monthly Partnership meetings.
 1. Escrow
 2. Option to Purchase
 3. Promissory Note
 4. Trust Deed
 5. Title
 6. PTI – what costs go into the mortgage payment
 7. Wills and Testaments
 8. How the systems of the home work
 9. Necessary maintenance of the house
 10. Homeowner’s insurance – how to use it properly
- With your mentor you will schedule an interview with the Community Relations Manager
- Although it is not required, your mentor may attend any meetings or trainings with you as a support person. Please ask your mentor to support you in this way if you wish. Some of these meetings might include:
 - Your Closing at the Title Company
 - Monthly Partnership meetings
 - Savings Account and Budgeting classes
- Your mentor is expected to encourage communication between you and other families in the Habitat program to foster a sense of community.
- Your mentor will also ask that you...
 - Accurately track spending by creating and living by an accurate 12 month spending plan

- budget for changing family situations like additions to the family, reduction in income, additional expenses
- Create short, medium, long term goals – financial or otherwise
- Understand Homeowner responsibilities and Purchase and Sale Documents such as
 - Escrow
 - Option to Purchase
 - Promissory Note
 - Trust Deed
 - Title
 - PTI – what costs go into the mortgage payment
 - Wills and Testaments
 - How the systems of the home work
 - Necessary maintenance of the house
 - Homeowner’s insurance – how to use it properly

BAHFH Responsibilities

Bend Area Habitat for Humanity recognizes that we too have some major responsibilities to keep during this process. And it is our hope that by fulfilling our part it will help you and your partner fulfill yours. Therefore, BAHFH agrees to:

- Secure land, materials and funding for the construction of your home
- Coordinate the volunteers in the construction of your home and provide job site supervision
- Select qualified persons to become Habitat homeowners
- Provide training on home ownership issues through homeownership, construction and money management classes/ workshops
- Match you with a Mentor. Your Mentor will serve as your personal link to Habitat, and will provide special assistance to you whenever necessary.
- Help you devise a goal/ plan for how to complete your sweat equity hours
- Answer any questions regarding the progress of your homeownership status
- Meet with you at the work site to go over what you need to know
- Provide a no- interest loan for the cost of your home
- Help you plan the house dedication for your home
- Transfer ownership of the home to you upon successful completion of the Habitat program

Please feel free to make a copy of this form. Please submit a recent photo of your family or ask us to take one for you!

Date: _____

Habitat Family Biography

Please help us create your Family Biography for our website and bulletin board. Feel free to answer all or some of the questions. They are designed to help us and others get to know you. You are welcome to share additional information. Use additional paper if needed. If it is helpful, see the BAHFH website to review other family biographies <http://www.bendhabitat.org/media/362/Homeownership/Meet-Our-Current-Families>. Please return this information to DeeDee Johnson, Family Services Manager, or to the Prineville ReStore in Crook County.

What is something special or unique about you and your family? (Something that most people don't know)

Do you have children? If so, how many and what are their interests, hobbies?

Who is your and your spouse's (if applicable) employer?

Where did you grow up?

How long have you lived in Central Oregon?

What do you like about living in Central Oregon?

How do you anticipate Habitat impacting your family's life?

Why do you want to own your own home?

Have you ever volunteered before? If not, how do you think the Habitat program and requirements will change your perspective on volunteering?

How did you find out about Habitat?

SWEAT EQUITY



Understanding Sweat Equity

One of the most vital elements for the Habitat ministry is the partnership between new homeowners and BAHFH. The most important connection between partner families and Habitat is sweat equity. **"Sweat equity" refers to the actual hands-on physical involvement of selected families.** These hours are in no way part of or in place of any down payment or monetary contribution toward the home or BAHFH. The contribution of this labor shall be without payment of any wages or fiscal reimbursement even if the family, for whatever reason, forfeits eligibility to purchase a home from BAHFH.

Sweat equity is designed to meet three important goals:



Sweat Equity Builds Partnership. The goal of sweat equity is to provide opportunities for meaningful interaction between selected families, BAHFH representatives and Habitat volunteers. BAHFH is not only about building houses; our mission extends to uplifting families and building community. The best way for families and volunteers to get to know

one another is to work alongside each other.

Sweat Equity Builds a Sense of Pride and Dignity. BAHFH is not a charity or a give-away program. We offer a hand up rather than a handout. BAHFH works with, rather than for, families in need, to build their own homes and a brighter future. By working on their own homes, families feel full ownership of the homeownership process.



Sweat Equity Build Skills and Knowledge. The sweat equity program is designed to offer new homeowners a wide variety of opportunities to gain skills and knowledge that will help them successfully adapt to their new home. On the

building site family members will gain a real understanding of the construction of their home and maintenance issues they will have after occupancy. The homeowner education series offers valuable information to families.

Tracking Sweat Equity

Each homeowner will receive a set of tracking forms for logging sweat equity hours and will be responsible for having the construction supervisor or another **Habitat representative sign the forms each time sweat-equity hours are completed. You are responsible for turning in your sweat equity logs to your family Mentor by the last business day of each month so that he/ she can track your hours.** It is important for your family to keep these logs up to date and on hand; lost tracking documents or unrecorded hours cannot be counted toward your goal. If you need a copy of these logs they can also be found on our website on the Homeowner Area (Forms and Information page):

<http://www.bendhabitat.org/homeownership/formsandinfo>

Important Points to Remember

Before you start working:

1. Attend Volunteer Orientation: come to one of our weekly volunteer orientations! Each Thursday at 12 noon at our Habitat Office, 1860 NE 4th St., Bend, OR 97701.
 2. Register as a volunteer online:
www.bendhabitat.org and
Click on 'sign up today' and then click 'log in' you'll find the Register button to add yourself as BAHfH's newest volunteer!
 3. Schedule Your Volunteer Time: Did you remember to add yourself to the calendar while you were in Volunteer Up? Be sure to get yourself on the schedule!
- If you are unable to schedule your sweat equity time during the regular construction schedule **you must receive prior approval and schedule times with the construction supervisor to work on your house after hours.**
 - All sweat equity hours must be completed before signing of the sales documents can take place.
 - You are encouraged to have friends, family, fellow church members, and colleagues contribute to earning sweat equity hours, but **you** are responsible for keeping a clear record of all hours earned. You will be given a form to



track all “donated” hours. Remember to have the Habitat representative that is present sign the form verifying all of your hours each time you or your friends work on a house site or do other service toward your sweat equity hours.

- Various classes and workshops will be held throughout the time that you will be working on your house. Each time you attend an approved class or workshop offered by BAHFH, you will need to write down the hours and have the instructor sign off on your time.



Sweat Equity Policy

Sweat Equity Definition:

- Sweat Equity is defined as work contributed by a candidate homeowner toward the building of their home, or raising funds to build their home. Sweat Equity is designed to meet three important goals: To build partnerships, build a sense of pride and dignity, and build skills and knowledge. Specific tasks may include: Construction Work on any Habitat House, working at the ReStore, or the Office
- Raising funds and doing public relations activities
- Classes/Workshops as required by Habitat
- Other available classes will be reviewed and approved by the Family Services Manager and The Executive Director.

Required Hours

600 hours total for **married couples/ domestic partners**, equivalent to approx. **37.5 hours per month, for 12 months.**

- 250 hours must be completed working on construction of any BAHFH home

- 100 hours must be completed at ReStore
- The balance of the hours will be completed in classes/workshops/meetings/fundraising and or public relations and your choice of community service
- 150 donated hours accepted

400 hours total for **a single person or single parent family**, equivalent to approx. **25 hours per month, for 12 months.**

- 175 hours must be completed working on construction of any BAHFH home
- 75 hours must be completed at ReStore
- The balance of the hours will be completed in classes/workshops/meetings/fundraising and or public relations and your choice of community service
- 100 donated hours accepted

Donated Hours

A maximum of 100/150 hours can be contributed toward Events/Fundraising for Habitat by other people such as your Mentor, family, friends, co-workers etc. You will receive one hour of credit for each hour worked by each person.

Qualified Hours

Hours are only counted toward sweat equity after a family has been selected. All required or approved workshops, classes and partnership meetings will count toward sweat equity. If you are pursuing your GED, higher education, graduate school, a nursing degree, accounting degree, or other professional degrees, you may also petition the Services Committee and Family Services Manager for a limited amount of credit towards your sweat equity requirement. We want to support home owners-to-be, who are working towards the goal of improving their future income potential. All other meetings with BAHFH staff or their representatives to discuss issues such as contracts, plans, etc. do not count toward sweat equity.

NEW

Opportunities for Children (Ages 16 and younger)

Your children can be involved in the sweat equity process. However, it is not a requirement. The maximum amount of hours that can be contributed per household is 20 hours. All Activities need to be pre-approved by the Family Services manager. Examples of activities that may count toward sweat equity hours include:

- Writing articles for the newsletter

- Writing thank you letters or thank you cards
- Community Service/Volunteer work
- Submitting Report Cards (A = 3 hours, B = 2 hours, C = 1 hour)

Children on the Jobsite

Children 16 years or older **are** allowed to work and be on the worksite during construction without guardian supervision under the following conditions:

- Fill out a volunteer form
- Watch the safety video
- Sign a waiver
- Have their guardian sign the waiver

The following applies to children under 14 years of age:

- When visiting the worksite during construction hours there must be one child per adult. This includes stopping by to visit with volunteers, staff or other families.
- No children under 16 years of age are allowed on site when the parent/s are working on site performing sweat equity hours.
- If the parent/s would like to set up a time for children under 14 to be involved in the construction, they must arrange a specific time with the Construction Coordinator and Executive Director so that appropriate activities can be planned in advance to engage the children in a well supervised manner.

Counting Hours

- The sweat equity hours must be recorded by in-time, out-time, and total and must be attested to by a Habitat designee (staff/or volunteer leader). *Hours will not be accepted without the name and signature of the staff person or volunteer leader, and hours will not be accepted after the last day of the month.*
- Your sweat equity sheets must be turned in and reviewed by the Family Coordinator by the last day of each month or prior to the monthly Partnership meeting.
- If hours have been donated, the hours must be marked as “donated” on the time sheet.
- Hours are to be rounded to the nearest quarter hour. Example: you worked 1 hour and 20 minutes- equals 1.25 hours total. You worked 1 hour 25 minutes- equals 1.5 hours total.

- Hours can not be “called in”.
- A certificate of completion of a class/ workshop or a copy of the certificate must be turned in to count toward sweat equity hours. The name and signature of the instructor is required.
- Children of the selected family may count their time if they have truly contributed to the task at hand. It does not include them if they are only there because there was no where else for them to go; i.e. they are in the car with you and you stop by the job site to clean up and they are playing in the background.

Families are responsible for:

- Recording all of their hours worked, one month at a time, on their Sweat



Equity Time Sheet in addition to signing up on

VolunteerUP, the online calendar available from our website:

<http://www.bendhabitat.org/volunteer>.

- Turning in their Sweat Equity Time Sheet for the previous month on or before the last day of the month or prior to the Partnership meeting.

Mentors are responsible for:

- Contacting the family regularly to be sure the family is recording their hours and making good progress

Scheduling Hours

It is the responsibility of the family to schedule their hours in advance, on **VolunteerUP**. The Family Services Manager will notify the families of opportunities to acquire sweat equity hours outside of construction and the ReStore and help the families maintain a balanced schedule in regard to working their sweat equity hours.

Time of Completion

You must complete all hours before time of move in.



WORKSHOPS, CLASSES AND MEETINGS

Meetings

Monthly partnership meetings and mentor meetings are the regularly scheduled meetings we will ask you to attend; however, there will be times along the way when we will ask you to come in so we can discuss various items such as closing or other personal issues that may come up throughout the process. These meetings will count toward sweat equity.

BAHFH Orientation

Before your application process you attended the mandatory orientation. In addition your review of the Letter of Intent may have covered some of the following topics:

- Reasons for sweat equity
- Sweat equity policy
- Reserving time to work sweat equity
- Recording sweat equity hours work site information and safety
- Partnership with BAHFH
- Financial obligation
- Homeowner education requirements
- Construction process
- Mentor responsibilities

If you feel like you do not have a good understanding of these topics, please talk to the Family Services Manager.

Family (Education) Meetings- Monthly

These meetings are designed to bring some of the family partners and selected families together so that important information can be shared/ exchanged with one another at once. You will receive a schedule of these meetings in advance so that you can plan appropriate daycare, if needed. You will also receive a Homeowner Curriculum Guide that you are expected to read before each meeting.

Workshops

As a part of the monthly partnership meetings there will be homeownership workshops and other relevant trainings. These will qualify for sweat equity hours. Families may attend workshops or classes

for various home maintenance issues or information regarding homeownership in one form or another. However, all classes must be approved by the Family Services Manager BEFORE attending if it is to count toward your fulfillment of workshop and sweat equity. A certificate or letter of completion must be provided upon completion of the class/ workshop.

Classes and Savings Account

You will open an Individual Development Account (IDA) offered through **NeighborImpact** or a **Valley Individual Development Account (VIDA)** through **Housing-Works**. This is a matched savings program that allows you to save money to cover your closing costs. These programs will match your savings, 3-1. You will be required to take **two** classes: **either** the NeighborImpact Financial Fitness class **or** the Financial Peace University/Dave Ramsey class **and either** the NeighborImpact Home Buyer class **or** the SOFCU/HUD Homebuyers' Education, offered through Housing-Works. These classes will provide you with helpful information regarding credit cards and loans, budgeting, home maintenance, lending and other important information pertaining to homeownership.

Savings Account Contact Information:

NeighborImpact Individual Development Account (IDA) **In Bend-- (541)318-7506. In Prineville— (541)416-0107.**

See also: <http://www.neighborimpact.org/ida.html>

If you are not eligible for the NeighborImpact IDA Account, then you will work with Housing Works.

Housing Works Valley Individual Development Account (VIDA) **(541)323-7411**



CONSTRUCTION



Building a Sermon of God's Love

By Millard Fuller, founder of Habitat for Humanity International

When we explain in our literature, news releases and speeches that Habitat for Humanity builds and rehabilitates "simple, decent houses," we also mean well-built, sturdy, lasting houses. We are in partnership with God and put love into the mortar joints, which means that we also put our sweat, expertise and plain hard work in every Habitat home.

Good construction involves pre-planning, selection of good materials, worker safety and careful follow-through. An important aspect of our outreach is construction design. We insist on "simple and decent". Our mission is to eliminate poverty housing and to build and rehabilitate houses that give people the opportunity to become all that God intended them to be. We favor house designs that reflect Habitat's basic philosophy:

Habitat houses must be affordable for low-income families and adequate for their needs. Basic, simple and decent housing is the key to fulfilling the mandate God has given us.

Habitat for Humanity affiliates are the local part of the larger organization, Habitat for Humanity International. All affiliates are united by the Habitat Affiliate Covenant. Approved affiliates agree to follow the standards set forth by HFHI. The insistence on simple, decent house designs is one such standard- and a critical one.

We are transforming families, neighborhoods and communities with each house built. Every Habitat for Humanity house is a visible statement about our work and is a sermon of God's love. If we keep that in mind, we'll remain true to our mission.



When Construction Begins

BAHFH will work with local architects to design each house. Once the architect and other authorities are satisfied with the design of the home, BAHFH will take the plans to the city for approval. The time can vary greatly for approval for each home and is dependant upon how detailed the plans were in addition to the city's available time to review. Thus, one set of plans could take many months longer to get back from the city than another set of plans turned in at the same time. Once the plans have been approved and funding has been secured for a home, construction will begin.

Delayed Construction

There are various reasons that we might have construction delays. It is often the case that construction may not be able to begin due to some unforeseen geographical or structural concern which would require BAHFH to redesign the home and go through the process of approval once again.

Standards of Home Construction

The mission of Habitat for Humanity is to build low cost affordable houses for eligible participants. To reach our construction goals we must depend on volunteer help and donations to keep costs within acceptable standards.

Accordingly, although BAHFH will make a reasonable effort to construct and complete the Home in accordance with its plans and timeline, BAHFH does not guaranty that the Home will be build, or if built, built according to its plans and timeline.



Bend Area Habitat for Humanity receives both financial and in-kind donations when raising support for the building of your home. Occasionally these donations will result in one home having a different quality item installed than

another house may contain. Families must recognize that we built simple, quality, affordable homes and every item in every home is a quality item. However, an individual house may have an upgraded item due to the donors desire to showcase their craftsmanship.

Your Green Home

The traditional construction and operation of buildings use incredible amounts of natural resources and energy. Bend Area Habitat for Humanity is making great strides to reduce their impact on the planet by employing a variety of green building techniques.

What is Green Building?

Green Building is a whole systems approach to design, construction and operation of Buildings. It aims to conserve natural resources and reduce the demand on energy while improving indoor air quality.

With each home they build, Habitat must evaluate the environmental and economic costs and benefits of each stage of construction. With help from experts and guidance from organizations working on standardizing the green building industry they have formulated a plan for building better homes.

Habitat has considered the following topics and created Best Management Practices for each. Although not every best management practice can be incorporated into each home, for financial and logistical reasons, they have guidelines for implementing as many of these green practices as possible.

Site Selection

Structural Materials and Framing		Appliances
Site Conditions	Windows and Doors	Electrical
Foundation	Mechanical Systems	Landscaping
Roofing	Renewable Energy	Finish Materials
Plumbing	Indoor Air Quality	
Insulation	Building Operations and Maintenance	

This information has been compiled in the “Green Building Guidelines Manual” where you can find more detailed information.

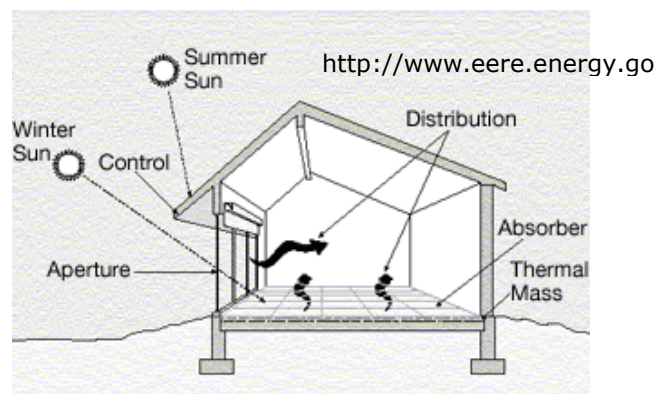
Living in Your Green Home

Building Size and Location: The size of your home reduces environmental impacts by limiting the amount of land disturbance per home, the amount of materials, energy and other resources necessary. The location facilitates walking to schools, shops and other amenities while creating a neighborhood feel for all homeowners.

Above Code Insulation: Habitat has gone above and beyond to build highly efficient homes that retain heat in the winter and remain cool in the summer. Advanced framing techniques allow for more insulation in the walls and energy heel trusses in the roof allow for more insulation overhead where most heat escapes from homes.

Reduced Energy Use for Heating: By orienting homes South-East, more natural sunlight can enter the home and heat the living space naturally. The *Passive Solar Room* on the front of your house facilitates this process by absorbing heat from the winter sun during the day and releasing it into the home in the evening.

Eliminate Mechanical Cooling: In the summer, the sun is higher in the sky and is blocked from entering the main living space by the extended eaves which shade the *Passive Solar Room*. This room absorbs the summer sun and buffers it from heating the main living space. Cross ventilation is another passive cooling strategy that involves strategically opening windows in the evening to allow for the cool night air to flow through the home. Windows must remain closed during the day to keep the hot air out.



Tankless Hot Water Heater: This alternative to traditional hot water tanks saves space, money and energy. It is a small box containing an efficient flash burner that heats water immediately before it enters your tap. This is also called “on-demand” hot water because there is no need to continually heat the water as in a traditional system which has an energy loss of up to 15% between the tank and the faucet.

Zoned Radiant Floors: Radiant floors are a very efficient way to heat your home through the winter months. Hot water is sent through tubing in the floor and forces cold water out in a continual loop. The heat from the water rises into the conditioned space and warms the home. What is great about the Habitat system is that there are multiple radiant floor loops throughout your home. You have the control to adjust the temperature in various rooms throughout the home at different times of day depending on your personal preference and schedule.

Indoor Air Quality: Low VOC paints and finishes, natural materials and urea-formaldehyde free insulation are used. Habitat also includes a soundless bathroom fan that can be placed on a timer and not only facilitates air circulation throughout the home, but also reduces mildew and other water damage. Natural, non-toxic cleaning supplies, along with doormats and HEPA vacuum filters maintain excellent indoor air quality.

Appliances and Fixtures: Habitat does its best to make sure all homes have the most energy efficient appliances and efficient water fixtures.

Low Maintenance, Low Resource Landscaping: By using native plants that require little water and care it is easy to keep your yard looking great! It also reduces water bills and conserves this valuable resource. Natural fertilizers and pesticides are also a great way to keep your home and groundwater healthy and green.

Type of Construction

Following is a listing of the types of construction and components that normally will be used; however, alternative types of construction may be considered:

- Concrete slab on grade
- Wood frame (2x6)
- Gable, hip roof
- Roof pitch shall be min. 4/12

- Composite shingles
- Ridge vents shall be provided even if gable vents are used. Soffit vents shall be continuous under the eaves
- Radiant barriers shall be installed on the underside of the roof trusses on gable roofs

Attic

Attic access shall be provided

Bathroom- Full

- Standard commode
- Standard tub/ shower with shower rod, soap dish
- Externally vented fan if there is no window
- Towel bars, mirror, toilet paper holder
- Vanity sink

Closets

- One shelf and clothes rod shall be provided for each closet
- One shelf is provided in the washer/ dryer area



Doors

- Steel-clad exterior doors preferred
- Full weather stripping and thresholds
- A lockset, deadbolt and stop shall be provided
- One key fits all locks
- Pre-hung hollow core wood interior doors
- Bedroom closet doors shall be hollow core, flush panel, bi-fold or by-pass doors
- One bathroom door shall be 2'8" or wider

Entrance

If the house does not include a covered porch, concrete stoops shall be provided at all exterior doors. The concrete stoops shall be 9 square feet.

Exterior Walls

- Cement lap siding, board and bat system

- Fascia boards may be either wood or aluminum

Fences

Fences are normally excluded from the provisions of a BAHFH home. Fences can be installed by the homeowner only when specifically approved by the BOD.

Flooring

- Vinyl or like flooring shall be provided in the bathroom/s and kitchen
- Vinyl or like flooring may be installed in the dining area if desired
- Carpet is available in all bedrooms and the living area

Heating, Ventilation and Air Conditioning

- Heating will be appropriate to the design of the home
- Ceiling fans are installed in the main living area, and pre-wired in all bedrooms
- No air conditioning

Insulation

- Walls shall be insulated to an R-21 value using batt insulation
- R-49 batt or blown-in insulation in ceilings

Interior Walls/ Ceilings/ Cabinets

- Gypsum wallboard and ceiling board with orange peel
- Walls and ceilings shall be painted with one coat of PVA primer and one coat of off white flat interior latex paint
- Off white semi-gloss shall be used in the bath, laundry room and kitchen areas
- Cabinets will be either factory with applied finish or in some cases stained and finished by the homeowner

Kitchen

- 18 cubic ft. refrigerator/ freezer- white
- 30-inch range- white
- Basic cabinets and wall cabinets to provide maximum storage allowed
- Formica counter tops
- Double stainless steel sink with faucet
- Disposal

Landscaping

- Gravel parking areas shall be provided
- Xeriscaping will be used wherever possible
- Any other necessary landscaping as required by code
- Provide 2 hose bibs per house
- Wooded lots shall be cleared only to the extent necessary for the house and driveway. Care shall be taken to leave the maximum number of trees and other native vegetation. A goal is to leave as much of the lot as possible in natural vegetation.

Lighting/ Electrical Supply and Wiring

- A fan in the bathroom with full bath and a bathroom without a window
- Wiring for a fan in the ceiling of the living room and master bedroom. If the owner provides the fan/ light fixture it will be installed. Otherwise a light will be installed.
- Wiring for TV in living room and master bedroom
- An electrical panel with 200 amp capacity
- Wiring shall be provided for phone jacks in the kitchen and master bedroom
- Wiring will be provided for a dishwasher, garbage disposal, switches and lights
- Lights and outlets will be provided per code
- Exterior lights
- Exterior receptacle
- A light will be provided for each bedroom, hallway, bathroom, kitchen, dining area and living area
- A smoke alarm will be provided per code

Washer/ Dryer Space

An area will be provided for installation of a washer and dryer. Water supply and drain plumbing shall be provided for the washer. Appropriate electrical receptacles shall be provided for both appliances. A horizontal duct outside dryer vent is provided. A shelf or other suitable storage means shall be provided for supplies.

Water Heating

- Tankless water heater

Water Supply

In addition to the normal plumbing inside a house, two hose bibs shall be provided on the exterior of the home.

Windows

- Bedroom windows must meet egress requirements
- All windows should be glazed with thermal insulation units in solid vinyl frames
- Windows shall be vertical or horizontal sliders
- Screens shall be provided for operable windows

Window Coverings

- Mini-blinds will be installed for all bedrooms
- Mini-blinds will be installed for all bathrooms unless the window is a privacy window



Vehicle Parking and Walkway

- A two car parking area will be provided, per code
- A walkway shall lead from the driveway to the nearest entrance

Exclusions

Certain features and amenities must be excluded from BAHFH homes.

These exclusions do not detract from

the basic livability of the houses. They are made in order to share the limited monetary resources with the next Habitat family and to provide as much basic housing as possible. Excluded features include but are not limited to:

- Freezer
- Dishwasher
- Washer/Dryer
- Paneling
- Window shutters
- Rain gutters
- Utility buildings (although we do provide a small storage space)
- Fences

Exceptions to Criteria

Criteria set down in this policy are intended to define the basic BAHFH home.

Exceptions will be allowed for the following reasons:

- Materials or equipment of equal or higher quality are donated and no financial impact on BAHFH prospective owner
- Safety or municipal codes require changes
- The selected family has special needs related to health or well being
- Other reasons approved by the BOD

Modification to Criteria

The criteria shall be reviewed by the Construction Committee at periodic intervals not to exceed one year. Changes shall be recommended to the BOD.

Wheelchair Accessibility

If you need wheelchair access or special accommodations please let the Family Services Manager know.



Rehabbed Homes

Whenever possible, Habitat will purchase and rehab an existing home, for sale to a Habitat family. The home to be rehabbed will be evaluated and retro fitted with energy savings measures. Examples include adding insulation in the attic and under floor, and air sealing. Energy Star appliances will be installed. Whenever funding is available, we will retro fit the home with advanced heating or power systems, such as solar panels and hot water heaters. We strive for the highest return on investment for all energy saving measures which are installed.

Necessary repairs will be made and the home will be refurbished to “like new” condition. Typically, the interior and exterior of a rehabbed home are repainted. Depending on the condition of carpeting, it may be replaced. Depending on the age of the roof, it might be re-shingled. Landscaping might be redone, with water saving xeri-scaping in mind. Some doors, windows, and cabinets might be replaced.

All rehab measures will be done, not to exceed a predetermined budget which will allow the mortgage payment to remain affordable.

As with new construction, walk through’s and warranties apply.

HOMEOWNER SELECTIONS

Once a lot has been designated as yours and construction begins you will be asked to meet with the Family Services Manager to go over and choose, **from a pre-approved BAHFH list**, some of the elements for your interior design. These typically include:

Flooring Cover	Light fixtures
Stain/ finish of cabinets	Exterior color
Color of countertops	

There will be times when one homeowner may have a different interior than another. Although we do our best to make sure all homes being built are equitable we can not guarantee that each home will be identical.

UPGRADES OR CHANGES TO HABITAT HOMES WHILE BEING BUILT

The following policy was accepted by the Bend Area Habitat for Humanity Board of Directors at their December 16th, 1998 meeting.

“No upgrades to the new Habitat homes are to be allowed for families while Habitat is in the process of building their new home.” In other words, the plans that are drawn and approved by the City of Bend are to be followed to the letter. Only minor changes are acceptable that are for the purpose of passing inspection requirements.

We do encourage all families to pick the color of their paint, etc. (Homeowner Request List). After the home has been legally transferred to the Habitat family, the Board of Directors has always been willing to entertain a request for construction changes as long as the project meets the City of Bend requirements.

As you know, Bend Area Habitat for Humanity is in the business of building low cost affordable homes to help eligible families buy their first home. We use community volunteer labor and donations to make the homes a reality.



HOME WALK THROUGH'S

Upon the completion of your home, we will do a walk through at move in. You will also be given a packet of warranties specific to your home and a checklist of home maintenance reminders. We will also provide you with a list of contractors who worked on your home.

During the walk through, you will be given a “Walk Through Check List” that will allow you to inspect your new home. Along with the Construction Manager, you will go through your new home, room by room, and carefully check to see whether all items are in satisfactory condition. You will initial the space provided after you have satisfied yourself that the item’s condition meets with your approval.

Before you occupy your home, we will do our best to bring the items that required improvements up to satisfactory condition; consistent with the standards of construction in Bend, and Prineville, Oregon and with our affiliate’s

limited warranty. After needed improvements are made, you will have the opportunity to check all the items to make sure they meet with your approval.

30 DAYS AFTER MOVE IN (Check In)

We will check in with you 30 days after you move in to catch anything we may have missed at the first walk through.

11-Month Walk Through

FOR A PERIOD OF UP TO ONE YEAR AFTER MOVE IN:

Repair requests, particularly those concerning defects in materials or workmanship, will be evaluated by the BAHFH Construction Manager and possibly an objective person with construction experience. If the repair needed reflects a defect in materials or workmanship, a designated contractor or person with construction experience will complete the repair(s) needed.

REPAIR POLICY

Bend Area Habitat for Humanity works diligently to provide safe, adequate housing. Homes are built to city, county, and state codes. Homes are not designed to be luxurious, and families should not expect them to be.

BAHFH is not a home maintenance company. BAHFH expects its families to do their own maintenance on their homes. Home maintenance skills will be learned through "Sweat Equity," but workshops are also provided that offer home repair "how-to."

Becoming a Homeowner



PREPARING FOR CLOSING AND MOVE IN DAY

BAHFH will notify you once we have received final inspection on your home. You may move into your house after Habitat has received a certificate of occupancy from the city and you have signed the final documents with the title company. **Typically, this will be within 30 days from the final inspection of your home.**

Once you receive notice from BAHFH the best way to prepare for closing and move in day is to get organized! This is not a complete list but you can begin to:

- Contact utility companies for transfer or set up
- Sort and clean out your current residence before moving day.
- Begin to save boxes and label the contents and the room where they belong.
- Make arrangements for a moving van and people to help you move.
- Change your utility bills to your new home beginning on the date the Family Services indicates
- Contact the Post Office to notify of your change in address
- Receive a quote and binder from your Insurance Company for your Homeowners Insurance
- Get information from the Family Services Manager regarding release of your savings program funds
- Review your legal documents with Family Services Manager
- Begin planning for your dedication

HOUSE DEDICATIONS

Once you receive notice from BAHFH of your move in date, you and your Mentor and the Family Services Manager and Community Outreach Manager will begin planning your house dedication. The house dedication is an opportunity for all the volunteers and donors who have worked or contributed toward your home to view the finished results. Habitat will conduct a brief program dedicating your home. You will be asked to present a short thank you speech. This can be a written statement, a poem or an unprepared talk, whichever you feel most comfortable with. Some homeowners or their Mentor provide refreshments and decorations but these are not required. The house dedication does not need to be fancy and should not become a burden. Local media may also attend. A house dedication is a celebration to acknowledge everyone's efforts and to formally wish you well!



MORTGAGE FACTS

Home sale prices reflect the actual cost to build your home, including land, materials and labor. Funding to offset homebuilding costs coming through the donation of money, materials or labor will **not reduce** the true cost to build your home or your mortgage amount. In other words if someone donates materials, labor or cash toward your home it will **NOT** help buy down your mortgage.

We will work with each homeowner to structure a mortgage repayment plan that qualifies as "affordable" according to the Housing and Urban Development (HUD) standards. In other words, your mortgage payment can not exceed 30% of your total gross monthly family income.

ADDITIONAL FEES AND EXPENSES

You will need to budget for closing costs, currently saving approx. \$2000. Through the savings program (IDA or VIDA) discussed earlier your savings will

be matched, 3-1, to cover the full closing costs. These are one-time fees that you, the home-buyer will be required to pay at the closing of escrow. We will determine these costs for you and ahead of time. Typically, these fees represent the cost for the escrow and Title Insurance Company to process the transaction.

Property taxes are fees paid on an annual basis to the City or County, and are based loosely on property value, known as *assessed value*. The tax year runs from July 1 to June 30 of every year. At the closing of escrow, you may be required to pay property taxes that are due. You will receive an estimate of what, if any taxes you will owe from the escrow company.

Homeowners insurance protects you and Habitat for Humanity from loss or damage to the house, and is a requirement for you to obtain. This insurance is usually paid on an annual basis, although some insurers will allow monthly payments. At the closing of escrow, you will be required to pay for your first year's insurance premium up-front. Again, your escrow officer will provide you with an estimate of these costs.

Because you will be enrolled in a savings program (IDA or VIDA) to cover closing costs, your first year homeowner's insurance and an escrow or reserve account start up balance, you will have these funds available at closing.

Please note that your principal mortgage payment will stay the same every month, but your property taxes and insurance premiums will change every year. Make sure to plan ahead for these increased expenses.

BAHFH will send you a letter at the end of each calendar year to notify you as to whether or not your taxes and insurance costs have gone up. BAHFH works in accordance to RESPA laws and regulations regarding all Escrow Account funds.

PAYMENT POLICY

Our payment policy is to collect timely mortgage payments and to assist homeowners to meet their obligation and grow in financial accountability.

PROSPECTIVE HOMEOWNERS

- The Family Services Manager will run a credit check just before closing to be sure no debt has been accumulated since the time of selection.
- You will submit current paystub(s), to verify current employment.

- The Family Services Manager will ask for a 12-month spending plan
- An account will be opened for payments to go toward escrow.
- You will be required to pay closing costs out of your matched savings plan (IDA/VIDA). This is to be paid when you sign your final documents.

HABITAT HOMEOWNERS

- Your mortgage payment is due on the 1st of each month
- Your mortgage payment is late if it is received on the 2nd of the month or later.
- You will be assessed a late fee in the amount of 5% of your unpaid principal if your mortgage payment is received after the 15th of the month.
- Any account that is past due will be considered delinquent
- The Family Services Manager and Executive Director will review delinquent accounts on an ongoing basis.
- Late accounts will receive a phone call and/ or letter from the Habitat office about the late account.
- Delinquency and failure to make payments may result in triggering BAHFH to exercise its option to purchase your property back.

DO NOT PUT YOURSELF AT RISK OF LOSING YOUR HOME!

In case of extreme emergency or financial crisis, call the Executive Director, Associate Executive Director or Family Services Manager IMMEDIATELY! We want to work with you.

Habitat does not allow skipped mortgage payments, but we will, in extreme cases work with you on a payment plan. If you are in financial crisis, it is strongly recommended that you at least make partial payments to show that you are serious about keeping your house. Partial payments need to be approved by BAHFH. Please contact the Family Services Manager or Executive Director if you are making a partial payment.

COMMUNICATION IS KEY!

It is also strongly recommended that you keep a savings account with no less than three (3) months mortgage payments to help you during times of transition or financial crisis. It is always recommended that you pay your mortgage first!

If you receive a tax bill and are still making mortgage payments, make a copy for yourself and send the original to BAHFH immediately. After your mortgage has been paid in full, you must start paying taxes and insurance yourself.

Being late with your mortgage payment will not be accepted. The money you pay each month as a mortgage goes back into our fund to purchase more building materials for other houses under construction. When you are late or do not pay, Habitat does not have that money to buy materials. You slow down Habitat's work and could prevent someone else from getting a decent home. Each time we receive money from you it goes toward your escrow account/ reserve fund first and your mortgage payment second. Therefore, if you make a partial payment, chances are you have only paid into your reserve account. A reserve account is set up to pay your taxes and insurance- not your mortgage!

OTHER HABITAT PERKS

As homeowner we want to continue to support your successful ownership process. There are a few options that you might find useful in the future:

- **"HabiTalk"**: Join the blog and submit an article or post that supports your new business or venture. For more information see <http://www.bendhabitat.org/blog/articles>
- **Habitat Calendar**: Stay in touch with upcoming Habitat events: <http://www.bendhabitat.org/calendar/month-view>
- **Education Deferral Program**: Are you going back to school? Call us and find out more about our mortgage deferral program.

Appendix



Bend Area Habitat for Humanity Limited Warranty Agreement

This Limited Warranty Agreement (this "Warranty") is extended by Bend Area Habitat for Humanity, an Oregon nonprofit corporation having an address at 1860 NE 4th Street; Bend, OR 97701 ("Habitat") to _____ (the "Buyer"), who [is/are] the original Buyer(s) of the property at the following address (the "Property"): _____

This limited warranty excludes consequential damages, limits the duration of implied warranties, and provides for liquidated damages.

1. What is Covered by the Warranty

Habitat warrants that all construction related to the house substantially conforms with the plans and specifications and change orders for this job. Habitat warrants that during the first 30 days after the Buyer moves in, Habitat will adjust or correct minor defects, omissions, or malfunctions, such as missing equipment or hardware, sticking doors, drawers, and windows, dripping faucets, and other minor malfunctions reported by the Buyer upon inspection of the property.

Within one year from the date of closing or occupancy by the Buyer, whichever is first, Habitat will repair or replace, at Habitat's option, any latent defects in material or workmanship by the standards of construction relevant in Bend, OR. A latent defect is defined as one that was not apparent or ascertainable at the time of occupancy. The Buyer agrees to accept a reasonable match in any repair or replacement in the event the original item is no longer available.

2. What is not Covered

This limited warranty does not cover:

- A. Damage resulting from fires, floods, storms, electrical malfunctions, accidents, nor acts of God;
- B. Damage from alterations, misuse or abuse of the covered items by any person;
- C. Damage resulting from the Buyer's failure to observe any operating instructions furnished by Habitat at the time of installation;
- D. Damage resulting from a malfunction of equipment or lines of the telephone, gas, power, or water companies;
- E. Any item furnished or installed by the Buyer; nor
- F. Any appliance, piece of equipment, or other item that is a consumer product for the purposes of the Magnuson-Moss Warranty Act, 15 U.S.C. 2301 et seq., installed or included in the Buyer's property. The only warranties of items listed below are those that the manufacturer provides to the Buyer.

Code for warranties: (I – Included, N/A Not applicable, NI – Not Included)

Roofing _____	Garbage Disposal _____	Microwave n/a
Brick, Siding _____	Light Fixtures _____	Kitchen Appliances
Plumbing Fixtures _____	Floor Coverings _____	Ovens, Stove _____
Water Heater _____	Cooling Equipment n/a	Refrigerator _____
Heating Equipment _____	Windows, Doors _____	

(1) Habitat has made any such warranties available to the Buyer for the Buyer's inspection and the Buyer acknowledges receipt of copies of any warranties requested by the schedule on page 1 of this document. ____/____ (Buyer's initials)

(2) Habitat hereby assigns (to the extent that they are assignable) and conveys to the Buyer all warranties provided to Habitat on any manufactured items that have been installed or included in the Buyer's property. The Buyer accepts this assignment and acknowledges that Habitat's only responsibility relating to such items is to lend assistance to the Buyer in settling any claim resulting from the installation of these products. ____/____ (Buyer's initials)

3. Remedies and Limitations

A. The Buyer understands that his/her sole remedy under this limited warranty agreement is repair and replacement as set forth here. ____/____ (Buyer's initials)

B. With respect to any claim whatsoever asserted by the Buyer against Habitat, the Buyer understands that the Buyer will have no right to recover or request compensation for, and Habitat shall not be liable for any:

(1) Incidental, consequential, secondary, or punitive damages;

(2) Damages for aggravation, mental anguish, emotional distress, or pain and suffering; nor

(3) Attorney's fees or costs. ____/____ Buyer's initials)

C. Habitat hereby limits the duration of all implied warranties, including the implied warranties of fitness of purpose, habitability, and workmanlike construction to one year from the date of sale or the date of occupancy, whichever comes first.

D. These limitations shall be enforceable to the extent permitted by law. Some states do not allow the exclusion or limitation of incidental or consequential damages or the limitation of implied warranties, so the limitations or exclusions listed above may not apply.

E. Notwithstanding the provisions of this limited warranty agreement, if any liability arises on the part of Habitat, Habitat will pay the amount of actual provable damages arising from such liability, but the amount shall not exceed \$1,000. This amount, fixed as liquidated damages and not as a penalty shall be Habitat's complete and exclusive amount of liability. The provisions of this paragraph apply if loss or damage results directly or indirectly to persons or property from the performance or failure to perform obligations imposed by the construction contract, or from negligence, active or otherwise, of Habitat, the Habitat's agents, or employees.

The Buyer understands that this provision limits the amount of damages for which Habitat will be liable but agrees that \

(1) the damages provided for under this provision are fair and reasonable because damages under this limited warranty agreement would otherwise be uncertain as to amount and difficult to prove,

(2) this limited warranty agreement as a whole is not so manifestly unconscionable, unreasonable, and disproportionate in amount as to justify the conclusion that it does not express the true intention of the parties, and

(3) it is the intention of the parties that damages in the amount stated should follow the breach thereof. The Buyer further acknowledges acceptance of this liquidated damages provision (and has initialed the same below) in consideration for the limited warranties provided by Habitat and the other provisions of the construction contract. _____/_____ (Buyer's initials)

F. This warranty is personal to the original Buyer and does not run with the property or the items contained in the house. The original Buyer may not assign, transfer, or convey this warranty without the prior written consent of Habitat in Habitat's sole discretion.

4. How to Obtain Service

If a problem develops during the warranty period, the Buyer should notify Habitat in writing at the address given above of the specific problem and what may need to be done about it. The written statement of the problem should include the Buyer's name, address, telephone number, and a description of the nature of the problem. Habitat will begin performing the obligations under this warranty within a 30 day period of Habitat's receipt of such a request and will diligently pursue these obligations.

Repair work will be done during builder's normal working hours. The Buyer agrees to provide the Habitat or Habitat's representative access to the house and the presence, during the work, of a responsible adult with the authority to approve repair and sign a call-back ticket upon completion of the repair.

An invoice will be provided to the homeowner stating what remedies were provided for the problem related to the warranty and signed by the Director of Construction from Bend Area Habitat for Humanity.

5. Specific Legal Rights

This Warranty gives the Buyer specific legal rights, and the Buyer may also have other rights that vary from state to state.

6. Where to Get Further Help

If the Buyer wishes further help or information concerning this Warranty, the Buyer should contact Habitat.

7. The Only Warranty Given by Habitat

The Buyer acknowledges:

- (a) that the Buyer relies solely on the Buyer's judgment in signing this limited warranty, and
- (b) that Habitat has made no guarantees, warranties, understandings, nor representations (nor have any been made by any representatives of Habitat) that are not expressly set forth in this document.

I/We acknowledge having read, understood, and received a copy of this Warranty.

purchaser

Executive Director

purchaser

Date: _____

Date: _____



Bend Area Habitat for Humanity

Walk Through Checklist

Homeowner's Name _____

Property address _____

- Move In Walk Through Date: _____ 30-day Walk Through Date: _____
 11-Month Walk Through Date: _____

Directions: Please check that you have addressed each area. There are three lines; one for each walk through date. Upon moving in the homeowner should receive a file of warranties for their home.

Plumbing

_____ 1. Instruction on use of faucets (emphasize cleaning of aerator) and show water cutoffs.

_____ 2. Instruction on use of shower and tub drains and care of fiberglass surfaces; show water cutoffs.

_____ 3. Instruction on adjustment of toilet tank mechanism.

_____ 4. Explain care of tank-less water heater.

_____ A. Periodically check pop-off valve and line.

_____ B. Call Bend Heating if valve pops or any problems occur

_____ 5. Show location of water meter, main cutoff, and sink and sewer cleanouts.

_____ A. Provide shut off fork to owner

_____ 6. Explain about the type of exterior hose bibs BAHFH uses and the importance of disconnecting the hoses in the winter.

Electrical

_____ 7. Show buyer the switch controlled outlet for the Garbage Disposal

_____ 8. Explain correct bulb size for lighting fixtures.

_____ 9. Show location of main electrical panel.

_____ A. If house is using solar panels, show where shut off is located for emergency

_____ 10. Explain circuit breakers, AFCI breakers and GFCI receptacles and how to operate them.

_____ 11. Explain operation and testing of smoke detectors.

_____ 12. Explain where telephone and cable connection for television, enter the house.

_____ 13. Show buyer the whole house exhaust fan and how to set it.

_____ A. Explain how vents on windows should remain open

Heating

_____ 14. Show location and operation of thermostats.

_____ 15. Explain that, if problems with heating develop, owner should do the following in the order listed.

_____ A. Check thermostat setting.

_____ B. Check breaker box/furnace (be sure breaker is on; explain that breaker switch should be turned all the way off first, then turned back on.)

Appliances

_____ 16. Instruction on use and care of manuals of all appliances.

_____ 17. Explain limited warranties and give owner other literature.

_____ 18. Explain filter and cleaning of range hood.

_____ 19. Explain how to clean dryer vent pipe.

_____ 20. Explain that, if appliances do not operate, owner should:

_____ A. Check to be sure they are plugged in.

_____ B. Check breakers.

_____ C. Reset

General Interior

_____ 21. Explain care, cleaning and treatment of floors: wood, carpet, and tile; suggest use of casters under furniture (no warranty for damage caused by neglect.).

_____ 22. Explain care of paint (non warranted) and that the affiliate does not do touch-ups. Remind owner not to scrub latex-painted interior walls. Provide names of paints used and color numbers to owner.

_____ 23. Explain use of spackling for normal cracks in Sheetrock and nail pops (not warranted).

_____ 24. Explain care of counter tops (knives will cut the surface.)

_____ 25. Explain use of caulk for cracks in tile (not warranted).

_____ 26. Doors:

_____ A. Replace weather stripping when it wears out or is damaged.

_____ B. Oil hinges if doors squeak.

_____ C. Avoid paint buildup on door and window sash edges to keep them from sticking.

_____ 27. Explain types to cleaning products (e.g. nonabrasive materials to be used on counter tops, wood finishes, bathroom tile, fiberglass showers and tubs, etc).

_____ 28. Explain that bathroom and privacy locks can be unlocked from the outside with a small screwdriver or coat hanger.

_____ 29. Explain purpose of weep holes in windows and importance of keeping them clean.

_____ 30. Explain operation of exterior door and window locks.

General Exterior

_____ 31. Explain that grass and shrubs are not warranted. (Be certain that grass and shrubs are alive now.) Explain needs for fertilizer and water.

_____ 32. Explain that crawlspace vents should be closed during the winter and that they should be opened during the spring.

_____ 33. Light fixtures (bulbs not warranted.)

_____ 34. Explain that hairline cracks in concrete pad and puddles of 1/4 inch are normal.

_____ 35. Check shingles on roof after significant wind, call a roofing company if there are problems

_____ 36. Check windows for broken glass, remove and fix immediately

I/We have discussed and understand each of the items listed above with a representative from **Habitat for Humanity**. I/We have been instructed in the use and care of the above-listed items in my/our new home and find my/our home completed in a manner satisfactory and acceptable to me/us.

Homeowner's signature(s):

Date: _____

Date: _____

Habitat for Humanity

(affiliate representative signature)

Title Date: _____

Frequently Called Numbers and Community Resources

Police/ Sheriff/ Fire/ Ambulance	911	Police- Non Emergency	541-388-0170
St. Charles Hospital	541-382-4321	Bend Memorial Clinic	541-382-4900
Bend Memorial Clinic	541-382-4900	Poison Control Center	541-452-7165

Deschutes County Services

Administration Board of Commissioners	388-6570
Assessor	388-6508
County Clerk	385-3203
Community Development	388-6575
County Landfill	388-6599
Fair Association	923-1652
Fair and Expo Center	548-2711
Fish and Wildlife	388-6363
Health Department	322-7400
Oregon Highway Information	800-977-6368
Personnel	388-6553
Planning	388-6560
Road Department	322-7100
Rural Firs District #2- Non Emergency	318-0459
Sheriff- Non Emergency	388-0170
Surveyor	383-4395
Tax Office	388-6540
Voter Registration	388-6546
Watermaster	388-6669

Bend Public Services

Bend Airport	388-0019
Bend Parks and Recreation	389-7275
The Bulleting Newspaper	382-1811
Cascade Business News	388-5665
City Administration	388-5505
Chamber of Commerce	382-3221
Community Development	388-5528
Dept. of Motor Vehicles	388-6322
Dial a Ride	388-7433
Fire Dept. Non Emergency	322-6300
Humane Society	382-3537
Juniper Aquatic Center	389-7665
Library- Main	388-6677
Municipal Court	388-5572
The Oregonian Newspaper	382-3761
Planning Dept	388-5580
Police Dept. Non Emergency	388-0170
Post Office - Main	800-275-8777
Road Conditions Information	800-977-6368
Senior Services	388-6240
Visitors Center	382-8048

Bend Utilities

Bend Cable TV	382-5551
Bend Garbage and Disposal	382-2263
Cascade Disposal	382-6660
Cascade Natural Gas	382-6464
Central Oregon Co-Op	389-1980
Power Outages	800-924-8736
City of Bend, Sewer and Water	388-5515
Ferrellgas	382-1161
Kelvic Disposal	382-6660
Mid State Electric	536-2126
power outages	800-752-5935
Pacific Power	888-221-7070
Qwest	800-244-1111
Sun Country Disposal	382-6660

Schools

Bend LaPine Superintendent	383-6000
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Central Oregon Services

<u>Directory</u>	Dial: C-O-2-1-1
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Definitions and Terms

Construction Manager – Responsible for the construction of all Habitat houses. Manages work and supplies for House Leaders. Manages all aspects of Habitat's construction program. Creates overall building schedule – maximizing resources and community involvement.

Family Services Manager – Manages all aspects of Habitat's Family Services program. Supervises partner family selection, education and support.

Executive Director - Leads and manages Habitat. The ED works with staff members, volunteers, and donors to be sure we have the land, money, equipment, people, and plans to build houses and assist partner families.

Family Mentors - Assists in the transition from renter to homeowner.

Family Selection Committee - Establishes eligibility criteria, screens applications, makes home visits and recommends qualified families for approval as partner families.

House Leader – Responsible for management of actual building process of Habitat homes. Lead work crews, obtain building materials, and insure a safe working environment to keep houses on schedule.

ReStore Director – Manages all operations for ReStore, which generates income to support the Habitat mission.

Sponsor – Provides money that covers at least half of the cost of building each Habitat home.

Volunteer Coordinator - Coordinates and schedules volunteer groups to work on the construction sites.

GENERAL GLOSSARY OF TERMS

A

Amortization—The gradual repayment of a mortgage by installments, calculated to pay off the obligation at the end of a fixed period of time.

Amortization schedule—A timetable for payment of a mortgage showing the amount of each payment applied to principal and the balance remaining.

Applicant family—(Specific to Habitat for Humanity) A family or individual from initial contact with a Habitat affiliate until approval or denial, as contrasted with a partner family or homeowner.

Appraisal—An inspection to determine the value of a piece of property.

Appreciation—An increase in the value of a property due to changes in market conditions or other causes.

Appurtenance—Anything attached to the land and thus part of the property, such as a barn, garage or an easement.

Assessed value—The valuation placed upon property by a public tax assessor that is used to compute property taxes.

Asset—Anything of monetary value that is owned by a person. Assets include real property, personal property and enforceable claims against others (including bank accounts, stocks, mutual funds, etc.)

B

Balance sheet—A financial statement that shows assets, liabilities and net worth as of a specific date.

Bankruptcy—A proceeding in a federal court in which a debtor who owes more than his or her assets can relieve the debts by transferring his or her assets to a trustee.

Blitz build—(Specific to Habitat for Humanity) An accelerated building program, usually from one day to two weeks, on one or more houses in which an affiliate starts a house and brings it to virtual completion.

Budget—A detailed plan of income and expenses expected over a certain period of time. A budget can provide guidelines for managing future investments and expenses.

Building code—Local regulations that control design, construction and materials used in construction. Building codes are based on safety and health standards.

C

Callback—Problem report by a homeowner that requires a contractor or construction agent to return and repair a deficiency.

Capital expenditure—The cost of an improvement made to extend the useful life of a property or to add to its value.

Capital improvement—A structure or component erected as a permanent improvement to real property that adds to its value and useful life.

Clear title—A title that is free of liens or legal questions as to ownership of property.

Closing—A meeting at which the sale of a property is finalized by delivery of a deed from the seller to the buyer and by the buyer's signing the mortgage documents and paying closing costs. Also called "settlement."

Closing costs—Expenses (over and above the price of the property) incurred by buyers and sellers in transferring ownership of a property. Also called "settlement costs."

Cloud on title—Any conditions revealed by a title search that adversely affect the title to real estate. Usually clouds on title cannot be removed except by a quitclaim deed, release or court action.

Condominium—A form of property ownership in which the homeowner holds title to an individual dwelling unit, an undivided interest in common areas of a multiunit project, and sometimes the exclusive use of certain limited common areas.

Contract—An oral or written agreement to do or not to do a certain function.

Cooperative—A type of multiple ownership in which the residents of a multiunit housing complex own shares in the corporation that owns the property, giving each resident the right to occupy a specific apartment or unit.

Covenant—A clause in a mortgage that obligates or restricts the borrower and which, if violated, can result in foreclosure.

Credit—An agreement in which a borrower receives something of value in exchange for a promise to repay the lender at a later date.

Credit report—A report of an individual's credit history prepared by a credit bureau or consumer reporting agency and used by a lender in determining a loan applicant's creditworthiness.

D

Deed of trust—The document used in some states instead of a mortgage that gives the lender a security interest in the property. Title is conveyed to a trustee by the borrower (who retains equitable title). When the debt is paid in full, title is re-conveyed to the borrower.

Deed—The legal document that transfers title or ownership to the new homeowner. Types of deeds:

Warranty deed—deed in which a seller warrants or guarantees that the title to the property is good and that no other person has any rights to the property.

Quitclaim deed—The seller's rights to the property are conveyed to the buyer and the seller guarantees nothing. This type of deed does not provide protection from a cloud on the title.

Mortgage deed—A deed that conveys title to the property in one of three manners, depending on the laws of the state in which the transaction takes place:

1. **"Title theory" state**—The mortgage transfers title to the property to the lender. When the debt is paid, the lender cancels the mortgage. This restores title to the borrower.

2. **“Lien theory” state**—The mortgage operates as a lien on the borrower’s property. The borrower maintains the title. If the borrower defaults on the loan, the lender may foreclose and obtain title to the property.

3. **“Trust theory” state**—The mortgage transfers title to the property to a trustee. When the debt is paid, the trustee reconveys the property to the borrower. If the borrower defaults on the loan, the trustee transfers title to the lender.

Security deed—Collectively refers to “mortgages,” “mortgage deeds,” “deeds to secure debt” and “trust deeds.” These instruments are referred to as security deeds because they record the parties’ agreement that a particular parcel of land will be used as security for a loan. It also imposes certain obligations on the homeowner; for example, the promise to keep the house in good repair, maintain fire insurance, pay property taxes, etc.

Default—The failure to make a mortgage payment on a timely basis or to comply with other requirements of a mortgage.

Delinquency—A situation in which a payment on a loan is overdue but not yet in default.

Depreciation—A decline in the value of property; the opposite of “appreciation.”

Down payment—The part of the purchase price that the buyer pays in cash and does not finance with a mortgage.

Due-on-sale clause—A provision in a mortgage allowing the lender to demand repayment in full if the borrower sells the property.

E

Easement—A right-of-way giving persons other than the owner access to or over a property.

Eminent domain—The right of a government to take private property for public use upon payment of its fair market value. Eminent domain is the basis for condemnation proceedings.

Encroachment—An improvement that intrudes illegally upon another's property.

Encumbrances—A claim against property in which there may be unpaid debts, unpaid taxes, etc.

Equity—A homeowner's financial interest in a property. Equity is the difference between the fair market value of a property and the amount still owed on the mortgage.

Equity loan—A loan based on the borrower's equity in his or her home.

Escrow—The holding of documents and money by a neutral third party prior to closing; also, an account held by the lender into which a homeowner pays money for taxes and insurance.

Estate—The ownership interest of an individual in real property. The sum total of all the real property and personal property owned by an individual at time of death.

Eviction—The lawful expulsion of an occupant from real property.

F

Financial management counseling—(Also may be called credit counseling); a process, either a class or a private session, in which an individual or family unit receives instruction or budgeting assistance in meeting financial obligations.

Fiduciary—A person in a position of trust and confidence for another.

First mortgage—A mortgage that has first claim to the secured property in the event of default.

Flex-money option—(Specific to Habitat for Humanity) An arrangement used by many Habitat affiliates in which a partner family may choose from a list of construction or design features up to a predetermined value, usually around \$1,000, in order to individualize their house.

Flood insurance—Insurance that compensates for physical property damage resulting from flooding. It is required for properties located in federally designated flood areas.

Forbearance—The lender’s postponement of foreclosure to give the borrower time to catch up on overdue payments.

Foreclosure—The legal process by which a mortgaged property may be sold when a mortgage is in default.

Fund for Humanity—(Specific to Habitat for Humanity) A local, revolving Fund for Humanity existing at each affiliate, with the fund’s money coming from Habitat house payments, contributions from individuals and organizations, no-interest loans and income from fund-raising projects. The moneys in the Fund for Humanity are used to build more Habitat houses.

G

Graduated-payment mortgage—A mortgage that starts with low monthly payments that increase at a predetermined rate for a specified time. The initial monthly payments are set at an amount lower than that required for full amortization of the debt.

Grantee—The person to whom an interest in real property is conveyed.

Grantor—The person conveying an interest in real property.

H

Hazard insurance—Insurance coverage that compensates for physical damage to a property from fire, wind, vandalism or other hazards.

Home equity line of credit—A mortgage loan, which is usually in a subordinate position, that allows the borrower to obtain multiple advances of the loan proceeds at his or her own discretion, up to an amount that represents a specified percentage of the borrower’s equity in a property.

Homeowner—(Specific to Habitat for Humanity) A Habitat family which has received title to their completed house, as contrasted with an applicant family or a partner family.

Homeowner organizations—A group of homeowners, either legally incorporated or more informally organized, joined together for purposes of mutual support, social activities, advocacy or other corporate aspirations.

Homeowner's association— A legally incorporated homeowner organization, with specific purposes and a defined governance structure.

Homeowner's insurance— An insurance policy that combines personal liability coverage and hazard insurance coverage for a dwelling and its contents.

Housing expense ratio— The percentage of gross monthly income that goes toward paying housing expenses.

I

Installment loan— Borrowed money that is repaid in equal payments, known as installments. A mortgage is an example of an installment loan.

Insurance— A contract that provides compensation for specific losses in exchange for a periodic payment. An individual contract is known as an insurance policy, and the periodic payment is known as an insurance premium.

J

Joint tenancy— A form of co-ownership giving each tenant equal interest and equal rights in the property, including the right of survivorship.

Junior lien— Any lien that is subsequent to the claims of the holder of a prior (senior) lien.

L

Late charge— The penalty a borrower must pay when a payment is made after the due date.

Legal description— A property description, recognized by law, that is sufficient to locate and identify the property without oral testimony.

Letter of acceptance— A document that records the terms of the house sale. The agreement contains such information as the type of house that will be built, the date on which the work will be finished, the formula used to determine the final cost of the home, sweat-equity requirements, etc.

Liabilities— A person's financial obligations. Liabilities include long-term and short-term debt, as well as any other amounts that are owed to others.

Liability insurance—Insurance coverage that offers protection against claims alleging that a property owner’s negligence or inappropriate action resulted in bodily injury or property damage to another party.

Lien—A legal claim against a property that must be paid off when the property is sold.

M

Modification—The act of changing any of the terms of the mortgage.

Monthly payment—The mortgage payment of principal, taxes and insurance a Habitat homeowner makes toward the repayment of his or her loan and for payment of taxes and hazard insurance premium.

Mortgage—A legal document that pledges a property to the lender as security for payment of a debt.

Mortgagee—The lender in a mortgage agreement.

Mortgagor—The borrower in a mortgage agreement.

N

Notice of default—A formal written notice to a borrower that a default has occurred and that legal action may be taken.

P

Partner family—(Specific to Habitat for Humanity) An individual or family from board approval of their application until occupancy and closing on their house, as contrasted with an applicant family or homeowner.

Personal property—Any property that is not real property.

Planned unit development (PUD)—A project or subdivision that consists of common property that is owned and maintained by an owners’ association for the benefit and use of the individual unit owners.

Preliminary mortgage—A document necessary when Habitat is working on a house or lot already owned by the family. It protects Habitat’s investment in the property.

Prepaids—Fees collected at closing to cover items such as setting up escrow accounts for property taxes, homeowner’s insurance and mortgage insurance premiums.

Prepayment—Any amount paid to reduce the principal balance of a loan before the due date.

Principal—The amount of money borrowed or remaining unpaid; also, that part of the monthly payment that reduces the outstanding balance of a mortgage.

Promissory note—Homeowner’s promise to pay the purchase price of the house.

Property tax—Annual taxes paid on property to cover local, state and municipal services such as roads and schools.

PTI—Stands for principal, taxes and insurance, the components of the monthly mortgage payment on a Habitat house.

Punchlist—An itemization of unfinished items in a completed construction project.

R

Radon—An invisible, odorless gas found in some homes that in sufficient concentrations may cause health problems.

Real Estate Settlement Procedures Act (RESPA)—A consumer protection law that requires lenders to give borrowers advance notice of closing costs.

Real property—Land and appurtenances, including anything of a permanent nature such as structures, trees, minerals, and the interest, benefits and inherent rights thereof.

Recording—The noting in the registrar’s office of the details of a properly executed legal document, such as a deed, a mortgage note, a satisfaction of mortgage or an extension of mortgage, thereby making it a part of the public record.

Rehabilitation mortgage—A mortgage created to cover the costs of repairing, improving and acquiring an existing property.

Right of survivorship—In joint tenancy, the right of survivors to acquire the interest of a deceased joint tenant.

S

S/A/F—(Specific to Habitat for Humanity) Sponsor/Advocate/Friend, a Habitat volunteer who on behalf of the affiliate takes on the primary functions of support and communication with the partner family.

Second mortgage—A mortgage that has a lien position subordinate to the first mortgage.

Secondary mortgage market—The buying and selling of existing mortgages.

Servicer—An organization that collects payments from borrowers and manages borrowers' escrow accounts.

Settlement statement—A tally of the various costs that must get sorted out in the process of closing the transaction. For example, if real estate taxes have been paid until the end of the year, the seller may want reimbursement for the portion of the year remaining after the closing.

Survey—A drawing or map showing the precise legal boundaries of a property and the location of improvements, easements, rights of way, encroachments and other physical features.

Sweat equity—(Specific to Habitat for Humanity) The unpaid labor invested by homeowner partners in the Habitat for Humanity ministry. These hours are a requirement of Habitat homeownership. Sweat equity reduces the monetary cost of the house and increases the personal stake of each family member in their home. Sweat equity fosters partnership with Habitat volunteers and staff. Sweat equity is a key principle of Habitat and is important in building partnerships across economic, racial and national divisions. The number of sweat-equity hours required of homeowners varies from affiliate to affiliate, but is usually between 150 and 250 hours per adult family member.

T

Tenancy by entirety—A type of joint ownership of property that provides rights of survivorship and is available only to a husband and wife.

Tenancy in common—A type of joint ownership in a property without rights of survivorship.

Title—A legal document evidencing a person's right to or ownership of a property.

Title company—A company that specializes in examining and insuring titles to real estate.

Title insurance—Insurance to protect the lender (lender's policy) or the buyer (owner's policy) against loss arising from disputes over ownership of property.

Title search—An examination of the public records to ensure that the seller is the legal owner of the property and that there are no liens or other claims outstanding.

Transfer tax—State or local tax payable when title passes from owner to another.

Truth-in-Lending Act—A federal law that requires lenders to disclose in writing the full terms and conditions of a mortgage.

W

Warranty—An assurance given by the seller that the item sold is exactly as represented in the sale agreement. Many warranties, such as a new house warranty, are required by law.

CONSTRUCTION TERMS

ARCHITECT- A credentialed professional, who designs and draws plans for the building of homes and structures.

BLUEPRINTS- A photographic reproduction of a set of detailed drawings (plans) and specifications. Typically:

Plot plan- showing lot in correlation to building structure

Floor plan- lay out of rooms, and detail of windows, doors, electrical, etc.

Elevations plan- shows 4 sides of building structure

Roof plan- shows view of roof structure

Interior plan- elevation plan cut through to show interior

Concrete plan- shows areas of concrete and footing placement

BUILDING CODE- State and local laws that set a minimum standard to which you home or structure is to be built to.

CEMENT- Usually a fine powder made from limestone and clay, mixed with water, sand and gravel. If it needs to be reinforced, steel rods, or rolled steel mesh is used.

Certificate of Occupancy - is a document issued by a local government agency or building department certifying a building's compliance with applicable building codes and other laws, and indicating it to be in a condition suitable for occupancy.

The procedure and requirements for the certificate vary widely from jurisdiction to jurisdiction and on the type of structure. In the United States, obtaining a certificate is generally required whenever:

- a new building is constructed
- a building built for one use is to be used for another (e.g. an industrial building converted for residential use)
- occupancy of a commercial or industrial building changes, or ownership of a commercial, industrial, or multiple-family residential building changes

The purpose of obtaining a Certificate of Occupancy is to prove that, according to the law, the house or building is in livable condition. Generally, such a certificate

is necessary to be able to occupy the structure for everyday use, as well as to be able to sign a contract to sell the space and close on a mortgage for the space.

A certificate of occupancy is evidence that the building complies substantially with the plans and specifications that have been submitted to, and approved by, the local authority. It complements a building permit—a document that must be filed by the applicant with the local authority before construction to indicate that the proposed construction will adhere to ordinances and codes and laws.

DRYWALL- Plaster that is sandwiched between paper sheets. Referred to as gypsum board. Used to cover framing and creates a smooth interior wall. Also referred to as sheetrock and gyp board.

FIREWALL- A wall, usually between the garage and the house, that is resistant to or retards the spread of fire.

FLASHING- Used as a weather proofing of a joint, like roof seams and where wood meets masonry. Made of metal.

FOOTING- The platform that is under the base of the foundation on which it supports the columns, walls, chimneys; basically the structure of the house.

FOUNDATION- A raised foundation is composed of hollow concrete blocks, mortared together around the perimeter on which the floor joists, platform and sub floor rests. A slab foundation makes contact with the entire ground, not just the perimeter.

GABLE ROOF- Most common- looks like a triangle at each end of the roof. Created by the pitch in the center.

GENERAL CONTRACTOR- The licensed professional responsible for coordinating subcontractors and materials during the construction of your home.

GROUT- Thin mortar; with or without sand, used to fill spaces between tile and masonry like stone and brick. Can be dyed different colors.

HIP ROOF- Has even eaves around the perimeter of the house or structure. Can create large eave overhang to protect the interior from direct sun.

INSULATION- Used in attics, under floors, and in exterior walls as a way to stop heat loss and gain in the interior of your structure. Used in the interior wall, it can help reduce the transmission of sound.

LOAD BEARING WALLS- They support the weight of the trusses that hold up your roof.

LOT- The land on which a structure is built. For your reference one acre contains 43,560 square feet.

O.C.- On center: This means that measurements are not taken from the edge but in the center. Example: a construction of a wall may be measured 16" on center/ or 16 " from the center of one stud to another.

PERMIT- A form given by the building inspector or official of your local office, allowing you permission to legally build your home or structure in accordance with your submitted plans and laws that govern your area. These permits are subject to inspections by the building inspector at various phases of the construction, as per local requirements.

PLASTER- Usually a combination of gypsum, lime and fine sand troweled onto drywall (after the joints are taped) or lathe to create a smooth or textured finish on interior walls.

SCUTTLE- Believe it or not, this is the official worked for your attic access through the ceiling of your home.

SET BACK- A minimum distance allowed between the lot line and the location of the home or permanent structures. This is predetermined by the developer or local building codes.

ROOFING- When roofers are talking about your roof, you may hear the term "square". "Square" is a 10' x 10' area of your roof and how they figure the purchase of components in your roof.

STUD- Vertical wood or steel commonly measuring 2" x 4" or 2" x 6" used to frame walls

TRUSSES- A pre-built set of rafters ready to install when delivered on site. Cut and stack refers to a roof that is constructed on site.

Frequently Asked Questions

What happens if future homeowners have not completed their hours at the time the home is completed?

All families must complete ALL of their hours before moving into their home.

What if the selected family gets hurt and is physically unable to perform sweat equity of any kind due to illness or injury?

We are more than willing to be creative in helping provide alternative ways to gain sweat equity if needed in extreme cases; however, all future homeowners must complete all of their hours before moving into their home.

Can future homeowners be reimbursed for their sweat equity if they pull out or are terminated from the program?

No. Families are not to be reimbursed for their sweat equity should they pull out or be terminated from the program.

How can BAHFH be prepared on site to assure that there is appropriate and sufficient work for the families to do?

Family members are responsible for signing up on the "VolunteerUp" website to arrange for times to perform sweat equity.

If a future homeowner works on site before they are selected, do those hours worked count toward their total?

No

What if a future homeowner's work schedule is in direct conflict with BAHFH work schedule in terms of being able to perform sweat equity when a supervisor is available?

The homeowner will need to contact the Family Services Manager so that the work plan can be adjusted as needed.

What if a future homeowner is physically unable to work on site?

BAHFH will do its best to be creative in its approach to work with future homeowners on an individual basis when needed. We will be more than happy to find alternative ways to fulfill sweat equity in such cases.

What happens if a future homeowner or one of their family members gets hurt while performing sweat equity?

Future homeowners and their contributors are considered volunteers when working on sweat equity. Therefore, a waiver will be signed and it will be the responsibility of the injured person to contact their own insurance company.

Does my time making my selection of construction choices, i.e. paint color, flooring, etc. count toward sweat equity?

Yes. It will count toward your construction total.

What if someone donates/ sponsors my house will it buy down my mortgage?

No.

Why is it taking so long to begin and/ or finish construction on my home?

This can be due to a variety of reasons. Often weather will be a primary reason for a delay in construction. Another major reason could be funding. Sometimes, it has to do with the geography or the land or a need to change the structural design of the home. No matter what happens, BAHFH does its best to see to it that your home is built in a timely manner; however, there are unforeseen circumstances where there is little we can do to speed things along.

Once I have been assigned a home and construction has begun on my home am I guaranteed to own it?

No. You must fulfill the requirements spelled out in the Letter of Intent; i.e. your credit must remain the same or better than when you were selected, your debt must not increase- this includes taking out a student loan, etc. In addition, all sweat equity hours must be completed before construction is finished. If the assigned family has not completed their hours and another family has completed their hours and is appropriate for the size of house, the home may be assigned to that family.

What if I no longer want to live in Bend or be a part of this program?

If, for some reason or another, you should decide that you no longer want to own a home through BAHFH we will ask to meet with you and your Mentor to be sure that you are aware of the decision you're making. If you still decide you do not want to participate, you will need to write and sign a letter indicating your wishes. Your home or lot will be assigned to another deserving family.

Is this the End?

Absolutely not! Please stay in touch with us and let us know how you're doing. Some things we'd like to know about are if your family situation changes, gets bigger, smaller, you get married, divorced, etc. Also, we'd like to call upon you to help us with events, community outreach, and getting the word out, about our homeownership program and volunteering. We might ask you to participate on committees, such as Family Selection, Mentoring, or committees working with ReStore and volunteering. Please don't be a stranger and we need your support and expertise so that we can provide safe, decent, affordable housing for more people in our community.