Partnership Agreement
(Notice of Program Pro-Approval

_____
Date

Dear _____:

Congratulations! You have been selected to participate in the Habitat Homeownership Program (the "Program") with Habitat for Humanity Capital District ("Habitat for Humanity") and pre-approved for a home loan, subject to the express terms and conditions contained in this Partnership Agreement (Notice of Program Pre-Approval) (this "Agreement"). This Agreement describes the terms and conditions of your acceptance into the Program. **This Agreement is not a sales contract or a loan application for purposes of certain federal laws, and expressly excludes the following information:**

- **the address of the house;**
- **the specific plans for the house;**
- **the price of the house;**
- **the specific amount of your mortgage or mortgages in favor of Habitat for Humanity;**
- **the time when construction will be completed.**

(Initial _____)

If you are not satisfied with any of the terms of the Program when disclosed, you may withdraw from the Program at any time up to loan closing and receive a full refund of any cash payments you have paid towards closing costs. You will not, however, be compensated in any way for any of the "sweat equity" hours you have volunteered, as described in Paragraph 2 of the next section of this Agreement.
Based on our current house production procedures, we expect the completed house to generally conform to the basic house description attached to this Agreement.

Your obligations under the Habitat homeownership program

Your participation in the Program is subject to the performance of all of the following requirements within 12 months of execution of this Agreement:

1. DEPOSIT: Upon execution of this Agreement, you must pay to Habitat for Humanity Capital District the amount of $500 as a deposit. This deposit will reduce the amount of your mortgage loan.

2. CLOSING COSTS PAYMENTS: You must prepare additional funds for closing on your house that will be used to pay items such as a title insurance policy, recording fees, inspections, homeowner's insurance, escrow reserve funds, etc. Closing costs are in addition to the sales price and are outlined in the Good Faith Estimate, the Truth in Lending statement, or Closing Disclosure. You should begin a savings program to ensure that you have enough funds to pay for these costs. Typically, $1,000 - $5,000 is required, and use of grant assistance is acceptable for most of these items. Please speak with the bank representative regarding use of grant funds and the use of your own funds.

3. DOWN PAYMENT: Down payment beyond your house deposit is not required by Habitat, however, it may be required by your mortgage lender. Please speak to the bank representative about their requirements regarding down payment. Any down payment will reduce the amount of your mortgage loan. If down payment is funded by a third-party subsidy provider, the amount of down-payment and/or closing cost assistance is typically written into a lien by that party, in the form of a deferred subordinate mortgage in favor of the subsidy provider.

4. PARTNERSHIP HOURS: Before the closing of your loan, you and your family members must work at least 100 "partnership hours" as a Habitat for Humanity volunteer. At least 50 hours of your hours must be completed in construction of your own home or the homes of other Habitat for Humanity buyers. Our current policy is included in the Homebuyer Handbook. These hours will not reduce the purchase price of your house and, if you decide to withdraw from the Program or your application is otherwise terminated, Habitat for Humanity will not pay or compensate you for any of these hours.

5. HOMEOWNER EDUCATION: You must attend any required prospective homeowner workshops and classes that will cover many topics relating to homeownership, including financial and home maintenance training. Hours spent in these training sessions will be credited against your partnership requirement.

(Initial _____)

Habitat for Humanity's right to revoke your acceptance into the Habitat homeownership program

Your acceptance into the Program is based on the information contained in your application, as defined in Habitat for Humanity's policy and discussed with you prior to receiving this Agreement. In the event Habitat for Humanity determines that the information contained in your application was materially inaccurate, Habitat for Humanity reserves the right to terminate your participation in the Program.

In addition, Habitat reserves the right to terminate your selection as a prospective homeowner if any of the following occurs:

a. You experience a material adverse change in your financial situation, such as the loss of employment or new debts, and pursuant to its policies, Habitat for Humanity determines, in its sole discretion, that you can no longer afford a Habitat for Humanity house. If there is a significant change in your financial situation, please notify us as soon as possible. It may be possible for us to work with you to preserve your participation in the Program.

c. You fail to attend the required homebuyer workshops.

d. You fail to make your $500 deposit to Habitat within 10 days of the date of your real estate contract.

e. We determine that you are registered in a sexual offender database. Our Sex Offender Registry Policy is included in the Homeowner Handbook.

f. We determine that there are grounds for terminating your selection as a prospective homeowner in accordance with our De-Selection Policy. Our De-Selection Policy is included in the Homeowner Handbook.

(Initial_____)

House construction

At the appropriate time and if you fulfill all of the conditions contained in this Agreement, we will begin to review with you the estimated cost of construction of the house, the estimated construction schedule, your estimated mortgage payments, specific house plans and other details regarding the construction and sale of the house.

Houses constructed by Habitat for Humanity are built with a combination of skilled labor, unskilled volunteer labor and the labor of you and your household members. In addition, many

materials and a significant portion of the money used to build your house will be donated. While we will make reasonable efforts to complete the house in general accordance with the attached basic house description and more specific house plans to be shown to you at a future date, because of changes in circumstances and uncertainty regarding future funding and donations, we are unable to promise that your house will be built according to the original plan, or that it will be built at all. In addition, if the house is built, we cannot guarantee a completion date..

If you are not satisfied for any reason with specific details about the house plans or features, location, price, construction schedule or any other matter, you may withdraw from the Program at any time prior to closing and receive a full refund of any closing costs payment you have made to Habitat, although you will not be compensated for the value of your “partnership hours," as described under the “Partnership Hours" section of this Agreement.

(Initial_____)

Finance of house

At the appropriate time and if you fulfill all of the conditions contained in this Agreement. You must finance the purchase of your home with an acceptable home loan that meets affordability criteria of no more than a 30-year term, fixed interest, and an estimated monthly payment no more than 30% of your household's monthly income. You must sign a third-party disclosure form to allow your mortgage lender and Habitat to communicate about your home loan.

Habitat for Humanity cannot guarantee that you will be approved for a mortgage loan. If your financial situation changes due to a change in employment, income or the accrual of new debt, you may not be approved for a mortgage.

If you are not satisfied with the proposed terms of the house financing for any reason, you may withdraw from the Program at any time prior to loan closing and receive your deposit back. You will not be compensated for the value of your “partnership hours," as described under the “Partnership Hours” section of this Agreement.

(Initial_____)

Resale / occupancy policy

The house that you purchase must remain owner-occupied for the term of the mortgage, that is, you must live in the house until the mortgage is paid in full. You cannot rent your house to someone else. (Note: if you are purchasing a two-family home, you are allowed to rent out one of the units, but you must continue to live at the property as well.)

You will be required to sign a Right of First Refusal in favor of Habitat at closing, giving Habitat the first opportunity to match a bona-fide offer upon resale.

There may be additional resale restrictions and occupancy policies required by assistance grants or loan you acquire. You will be required to sign a 30-year deed restriction with NYS Homes and Community Renewal, the terms of which are described in the draft of the agreement provided to you.

If you are not satisfied with the proposed terms of your house purchase documents for any reason, you may withdraw from the Program at any time prior to loan closing and receive a full refund of any deposit you have paid, although you will not be compensated for the value of your “partnership hours," as described under the “Partnership Hours” section of this Agreement.

(Initial_____)

This Agreement is intended to outline the general requirements of the Program. By signing this Agreement, you are indicating that you understand the Program, that you are willing to partner with Habitat for Humanity and that you will complete the requirements contained in this Agreement. If you are unable to meet these requirements, we will not be able to continue the Program with you.

By signing this Agreement, Habitat for Humanity is indicating its intent to partner with you to develop a plan for the construction, sale and finance of a house to be used as your principal residence, all pursuant to the process and subject to the requirements described in this Agreement.

Sincerely,
HABITAT FOR HUMANITY CAPITAL DISRICT

Christine Schudde
Executive Director

Read, understood and accepted this ____ day of _____, 20__

Prospective homeowner: _____

Prospective homeowner: _____

Habitat homebuyer media release form

Sharing the stories of Habitat homebuyers like you is essential to help more families and neighborhoods through affordable homeownership. We need people in the community to see how hard you'll be working to build your home. We need them to hear *why* you have chosen to partner with Habitat. We need them to feel excited for you and still feel the urgency of all the work we still have left to do.

Your Habitat story has the potential to inspire other people to partner with Habitat, whether as homebuyers or donors, volunteers and champions of our work. **Maybe *you* found us because someone else shared their Habitat story.** Your story, image and voice are *yours*. So, we want to make sure that we're documenting and sharing your Habitat journey in a way you're comfortable with and that respects your wishes.

Please take time to review the following media release terms. You can also write in any notes you'd like us to follow, and we'll try to do so. If you have special concerns about privacy or safety, please let us know so we can appropriately address them.

1. **Habitat would like to take photos and videos of you and your family** during your partnership with us, and we'd like to share them with our audiences online and offline. We may share them now or in the future.

2. **Habitat would also like to share your Habitat story.** We will try to interview you and give you ample opportunity to share your own story in your own words and approve final edits for accuracy and privacy-related concerns.

3. Habitat may not always be able to ask for your approval each time we share your picture or story, but if you are ever uncomfortable with something we've posted, let us know and we'll do our best to make it right.

Special notes, exceptions or requests:

_____ _____
Habitat partnering homebuyer(s) Date

_____ _____
Habitat representative Date