

# REQUIREMENTS, RECOMMENDATIONS, AND PREFERENCES FOR PROGRAM ELEGIBILITY



*Kôr Community Land Trust reserves the right to examine cases on an individual basis and, if needed, to waive requirements in extenuating circumstances. If you feel like you have extenuating circumstances, please send us a written explanation of the circumstances and the requested requirement to be waived.*

## REQUIREMENTS

Households must meet the following criteria:

- Attend an informational session about Kôr's homeownership program before applying.
- Complete Homeownership, Financial Fitness, Community Living, and Residential Net-zero Energy courses before occupancy.
- Net assets exceeding \$20,000 in value must be used toward housing. Assets include savings, land, mobile homes, recreational vehicles, boats, etc. This doesn't include household possessions, cars, tools, IRAs, pensions or any investment that would have a penalty for withdrawing the money early. This also means you cannot own any other real estate.
- No bankruptcy in past 4-years.
- No foreclosure in the past 5-years.
- Non-housing DTI ratio is less than 10%.
- Show 1-year of consistent household income.
- Income qualify with at least 6-months of consistent household income.
- Provide closing costs in the amount of \$2,000-5,000.
- Provide a 3.5% down payment if your income is over 80% of the AMI (area median income) for your household size.
- Meet criminal record policy requirements. \*

## RECOMMENDATIONS

Homebuyers may choose their lender. The following criteria are required by many of the leasehold lenders:

- Minimum credit score 620
- Show past 2-years of income
- Show 2-3 months of reserves at closing
- Maximum bad debt limit 5% (revolving credit not including auto loans)
- A down payment. Kôr offers down payment assistance to households making less than 80% of the AMI.
- Your total monthly debt payments (excluding your mortgage) should not exceed 10% of your gross monthly income (before taxes) when you purchase your house. Debt includes your minimum credit card payments as well as any long-term obligations (a repayment period of more than 6 months) such as car payments, child support and student loans.
- First time home buyer by HUD definition – has not owned a home in the past 3-years.

## PREFERENCES

- First time homebuyer (HUD definition) – 10 additional entries in the lottery
- Residency in the tri-counties (Deschutes, Jefferson, or Crook) is longer than one year – 100 additional entries in the lottery
- Household size of 2-5 individuals, 100 additional entries\*\*
- Enrolled in a Housing Works of Central Oregon program – 50 additional entries in the lottery

\*Any appeals to our criminal record policy can be made in writing and will be reviewed on a case by case basis.

\*\* We follow HUD's rental occupancy standards of 1-person for 0-bedrooms and 1.5 for each additional bedroom, plus 1. A bedroom is defined by a habitable space within the premises that is used primarily for sleeping with a window and a closet space for clothing.