



Serving Southeast Idaho

NeighborWorks® Pocatello
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FAQ's about NeighborWorks® Pocatello Income Restricted Homes

Q: I don't have a good track record with my credit recently and/or don't have a steady source of income. Can I get into one of your homes?

A: In order to purchase a NeighborWorks® Pocatello home, your credit and monthly income needs to be at a satisfactory enough level to qualify for a first mortgage loan. Getting approval (or at least pre-approval) for a loan from an outside private lender is one of the first critical steps as NeighborWorks® Pocatello does not originate first mortgages. When you apply for a mortgage loan, your lender will assess your credit and make an evaluation based on a number of factors, including your credit/payment history, income, and overall financial situation.

Q: I think I might meet this requirement. Is there a lender you can refer me to?

A: Fortunately, there are several outstanding lenders in the area who will assist you with your initial mortgage loan application. Many of them are familiar with our programs. NeighborWorks Pocatello may also be able to broker your first mortgage loan. Although we are not able to direct you to a specific lender, we can provide you with a list of mortgage lenders in the community if you'd like.

Q: I only have so much I can set aside each month for a house payment and in looking at the prices of your homes, I don't think I can afford one of them.

A: All of our homes are sold at market price; however, we may be able to help secure some "gap" financing, which can help make for lower monthly mortgage payments. For example, if your outside lender determines the highest mortgage amount you may qualify for is \$160,000, we could (if you meet certain criteria) cover the difference between this amount and the asking home sales price with gap financing. This gap financing is a loan (or a combination of loans) where no monthly payments are required, interest rate is 0% and the principal is only due upon sale or refinance of the home. In the above scenario, you would only need to make monthly payments based on the first mortgage loan amount of \$170,000 that you secure.

Q: Other than getting pre-approval for a mortgage loan, what else is required?

A: We require all of our home purchasers to complete our "FinallyHome!" Homebuyer Education Course. This course takes approximately eight hours to finish complete and you must finish it prior to

closing. You must also make less than 80% of Area Median Income as shown by the chart on the bottom of this document.

Q: Do I have to help with construction of the home or put in any “sweat equity” hours?

A: Yes. For each person listed on the deed, 50 hours of “sweat equity” is required. The sweat equity requirement may be fulfilled with such tasks as painting, landscaping and other general labor. You will be compensated for your sweat equity in the form of a small offsetting price reduction of your home. If you have a disability where it is not possible to complete the sweat equity component, we will work with you to find other ways to complete this requirement. By the way, NeighborWorks® Pocatello will pay for a sprinkler system to be installed and provide the landscaping material.

Q: What is a Community Land Trust? I understand if I purchase one of the income restricted homes at Bonneville Commons that it will be part of a land trust.

A: If you are interested in purchasing one of the six “income-restricted” homes at Bonneville Commons, the lot or “land” the home sits on will owned by a Community Land Trust. This means you will lease the land your home sits on at an affordable annual lease rate, but you will not own the land. You will, however, own the house itself. Community Land Trusts are a mechanism to make purchases of homes more affordable both now and with future owners.

Q: I’m not interested in owning a home at this time. Do you offer rental units?

A: The primary mission of NeighborWorks® Pocatello is to provide opportunities for residents to own their own homes. We only have five rental units above our offices at 206 N. Arthur, but we rent these units at full market rates and don’t subsidize the rents in any way.

Q: Because of my poor credit, I am not able to purchase a home currently, but want to get my finances and credit in order so that I can buy something in in the future. How can you help me?

A: NeighborWorks® Pocatello is a HUD approved counseling agency and can work with you on a one-on-one basis to improve your credit. The organization also offers a financial fitness class.

Purchasers of NWPocatello homes must have household income levels below the following:

Household Size	1 person	2 persons	3 persons	4 persons	5 persons	6 persons
Bannock County	\$40,850	\$46,650	\$52,500	\$58,300	\$63,000	\$67,650
Power County	\$40,000	\$45,700	\$51,400	\$57,100	\$61,700	\$66,250