

HABITAT FOR HUMANITY OF THE EASTERN BIGHORNS HOUSING TRUST HOMEBUYER SELECTION POLICY

This policy is intended to guide both general and project-specific homebuyer selection procedures administered by the Headwaters Community Housing Trust (HLT). This policy shall be reviewed at least annually by the HLT Board of Directors for effectiveness in guiding HLT in the pursuit of its mission.

THRESHOLD ELIGIBILITY CRITERIA

To be eligible to purchase a HLT home, the homebuyer household must meet all of the following criteria, as determined by HLT.

1. Income Eligibility: Household must have an annual gross income which does not exceed one hundred twenty percent (120%) of the median income of households of their household size for Sheridan County Wyoming, as published annually by the U.S. Department of Housing and Urban Development. [See Exhibit A for chart of **2025** Sheridan County Median Incomes by Household Size, as published by HUD.]
2. Mortgage Qualification: Household must be able to qualify for a “permitted leasehold mortgage”, as defined in the ground lease instrument, from a qualified local lender to purchase a home at the price established by HLT. Households that require one or more co-signers to obtain mortgage financing will not be considered.
 - a. Sufficient gross household income to qualify for the resulting home purchase mortgage loan with a maximum housing debt-to-income ratio not exceeding thirty-five percent **(35%)**.
 - b. Total debt-to-income ratio not exceeding forty-three percent **(43%)**, inclusive of minimum credit card payments as well as any long-term obligations (i.e., with a repayment term of more than six (6) months), such as car payments, child support, and student loans.
 - c. Ability to make a minimum out-of-pocket down payment of no less than three percent **(3%)** of the purchase price of the home. This will include closing costs, earnest money, and inspections.
3. Assets: Household may have liquid assets not exceeding the maximum median household income for a four-person household Sheridan County, as of the date of the household’s application **through closing** for HLT

homeownership, as published annually by the U.S. Department of Housing and Urban Development. (**\$108,000-2025**)

Households may not own – or have an ownership interest – in real estate at the time of closing. If you own a home it will need to be sold prior or concurrent to closing on your SCHLT house. Manufactured homes are considered real estate for the purposes of this program.

4. Household Size: Households must be of an appropriate size for the home in which they are applying to occupy per local occupancy codes.

HOMEBUYER SELECTION PROCESS

It is the desire and intent of Sheridan County Housing Land Trust to target its permanently affordable, below-market homes to households who live and work in Sheridan/Johnson counties and the surrounding region.

Once all applications have been screened to determine income and asset eligibility in accordance with established criteria, as stated above, qualified applicants will be required to obtain a mortgage prequalification in the amount of the home's sale price. HLT will then establish a date to select a homebuyer household to purchase each home currently available for sale – by points.

All eligible applicants will be graded on a points based system (see below). On the date of the selection, HLT shall select names from the list of applicants with the most points. If an applicant declines to buy the SCHLT home they were selected for then the SCHLT will move to the next name on the list with the highest points.

OFFER DECLINATION POLICY

Applicants may decline up to two (2) home offers from SCHLT; however, if a third (3rd) offer is declined, the applicant will be removed from the applicant list and will no longer be eligible for the program. All declinations must be submitted in writing within five (5) business days of the offer.

EXHIBIT A

**MINIMUM/MAXIMUM HOUSEHOLD INCOME BY HOUSEHOLD SIZE
Sheridan County Wyoming**

2025

(As published by the U.S. Department of Housing and Urban Development)

Household Size	60% of Median Income	120% of Median Income
1	\$45,360	\$90,720
2	\$51,840	\$103,680
3	\$58,320	\$116,640
4	\$64,800	\$129,600
5	\$70,020	\$140,040
6	\$75,180	\$150,360
7	\$80,400	\$160,800
8	\$85,560	\$171,120

EXHIBIT B

MAXIMUM LIQUID ASSETS ALLOWED

In determining a household's eligibility to purchase a HLT home, Sheridan County Housing Land Trust defines a liquid asset as an asset that can easily be converted into cash in a short amount of time.

Liquid assets to be considered include:

- Cash savings, including but not limited to bank accounts, credit union accounts, certificates of deposit, and money market funds
- Marketable securities, stocks, bonds, and other forms of capital investment
- Inheritance and insurance payments received in previous five (5) years
- Settlements for personal or property damage received in previous five (5) years
- Other personal property that is readily convertible into cash.

The following are not considered liquid assets by HLT:

- Ordinary household effects including furniture, fixtures, and personal property that is not readily convertible into cash.
- IRAs, pensions, investment accounts, etc. that would require a penalty for early withdrawal.
- Automobiles used for personal use.
- Balances in specifically designated retirement funds and college savings accounts.
- Securities, stocks, bonds, and other forms of capital held in a tax-deferred retirement plan recognized by the Federal Internal Revenue Service.

EXHIBIT C**Selection Considerations & Points Breakdown**

All applications meeting the Income Eligibility Requirements will be evaluated based on the following secondary Selection Considerations. Co-applicants' scores will be an average of the individual scores for each applicant, so as not to disadvantage single applicants. Secondary selection considerations are for selection guidance only and shall not be determinative of an applicant's eligibility for housing.

1. Length of Application on File

- < 1 year = 0 points
- 1- years = 1 points
- 2-3 years = 2 points
- 3+ years = 3 points

2. Years working/living in County (Max 5 points)

- 0-3 months = 0 points
- 3 months-1 year=1 Point
- 1-3 years = 2 points
- 3-5 years = 3 points
- 5-7 years = 4 points
- 7-9 years = 5 points

3. Community Involvement (Volunteering):

Applicants and co-applicants are awarded points for the time they dedicate to charitable purposes in Sheridan County, Wy. Points are awarded for the total number of hours spent up to the time of application with the understanding that applicants may update their application at any time to get credit for additional volunteer efforts. Applicants/Co-applicants will earn maximum points for 200 hours of community service. Scores are averaged between applicants and co-applicants. 5 points maximum.

- Paid or mandated service will not be counted, except for fire/EMS volunteers receiving stipends.
- Volunteer work may not include religious or political public outreach programming activities

- Hours, duration, and nature of volunteering must be verified by HLT Administrator
- Community service consistent with the intent/objectives of the Housing Trust’s selection criteria that falls outside of strict guidelines herein may be considered at staff’s discretion.

Total number of hours x .025 = Community Involvement(40 hours=1 point)

Example: Maximum Points Example + Less Active Volunteer example

Activity	Hours	Points
Board Service (2hrs/month for 4 years)	2 x 12 x 4 = 96	96 x .025 = 2.4
Weekly Commitment (1 hr/week for 2 years)	1 x 52 x 2 = 104	104 x .025 = 2.6
	Total:	5 points

Applicant- Maximum Points			Co-Applicant- Less Active			Applicant = Co-Applicant (Average)
Activity	Hours	Points	Activity	Hours	Points	
Board Service	96	2.4	Events	10	10 x .025 = .25	
Weekly Commitment	104	2.6				
Total		5	Total		.25	
						2.625

4. Employment:(Max 5 Points)

Applicants will be awarded points for their length of employment in Sheridan County, WY in a specific career regardless of employer. Extra points will be awarded for employment positions that contribute to essential community infrastructure and address critical needs facing our community (see Occupation Bonus table below). Individual scores will be averaged over time spent in different careers in Sheridan County (i.e. server becomes a nurse).

Individual (applicant or co-applicant) with the highest number of points will be counted.

(Years in Career x .35) + Occupation Bonus = Employment Points

(10 yrs x .35) + Level 3 Bonus = 5 points

(∞12yrs x .35) + Level 2 Bonus = 5 points

(∞14yrs x .35) + Level 1 Bonus = 5 points

Occupation Bonus:

Level 3	Emergency and Medical personnel: Fire/EMS, Police, Dispatch;MDs, nurses, PAs, PTs	+1.5 points
	Educators: Must be employed by a Sheridan County school district(1-3) or Sheridan College.	+1.5 points
Level 2	Nonprofit programmatic or leadership employees	+ .75 points
	Public sector programmatic or leadership employees (incl. Local, state, federal)	+ .75 points
	Public infrastructure/critical service providers (plumbers, electricians, sanitation)	+ .75 points
	Veterans/Military personnel	+ .75 points
Level 1	All other occupations	+0 points

Maximum Points Comparison Example:

1 year EMT	$(.35 \times 1) + 1.5 = 1.85$ pts
10 years EMT	$(.35 \times 10) + 1.5 = 5$ pts
1 year Non-Profit	$(.35 \times 1) + .75 = 1.1$ pts
10 years Non-Profit	$(.35 \times 10) + .75 = 4.25$ pts
12 years Non-Profit	$(.35 \times 12) + .75 = 4.95$ pts
1 year Other	$(.35 \times 1) + 0 = .35$ pts
10 years Other	$(.35 \times 1) + 0 = 3.5$ pts
16 years Other	$(.35 \times 1) + 0 = 5.6$ pts

EXHIBIT D

DEFINITIONS

Sheridan County Housing Trust has adopted the following definitions for use in selecting homebuyer households for its below-market homes for sale.

"Affordability" means that monthly housing costs, as defined below, do not exceed thirty five percent (35%) of gross household income for the homebuyer household.

"Debt-to-Income Ratio" (DTI) means the maximum percentage of income which a particular lender will allow a household to spend on Housing Costs.

"Household" means a person, or group of persons who occupy the same housing unit as their primary residence.

"Median Income" shall be as set forth in regulations promulgated from time to time by the United States Department of Housing and Urban Development (HUD) pursuant to 42 U.S.C. Sec. 1437 *et seq.*

"Middle-Income" shall mean a household whose combined gross annual income, adjusted for household size, is between eighty percent to one hundred twenty percent (80%-120%) of Sheridan County Wyoming Median Income, as defined by HUD.

"Homeownership Cost" shall mean the sum of the monthly payments due on

- a. the home purchase mortgage (principal & interest); plus
- b. the property taxes due on the home and leased land; plus
- c. insurance coverage, as stipulated in the HLT ground lease agreement; plus
- d. the Ground Lease Fee; plus
- e. any Homeowner Association (HOA)/monthly dues required.