

Letter of Intent, Purpose and Acceptance

Re: Agreement in Principles

Date _____

Homeowner Last Name

Please print

This letter is to inform you that you have been selected to enter into a partnership with Habitat for Humanity for the purchase of a new home, to be constructed by you and by Wabash Valley Habitat for Humanity. In prior discussions with Habitat, the partnership housing program was explained to you and your family. This letter will summarize and memorialize those discussions. This letter shall not constitute a loan contract to sell real estate or improvements between Habitat or any other party. In addition, this letter shall not constitute a contract or loan guarantee. The recitals herein are intended to memorialize the present intentions of the parties and shall not bind either party to buy or sell real estate or to the terms of a mortgage or promissory note.

The parties understand and agree that the real estate sales transaction contemplated herein will require execution of numerous separate documents, including but not limited to, occupancy agreements, purchase contracts, promissory notes, assignments, warranty deed and related documents. In addition, as a condition precedent to the execution of an agreement to sell you the house, your family will need to satisfy the following requirements:

1. A cash down payment in an amount of \$500.00.
2. To work at least 250 "sweat-equity" hours as a Habitat partner. The "sweat equity" requirement can be fulfilled by you, your family and friends performing various jobs at Habitat. Habitat for Humanity will not pay you or compensate you for any of these "sweat-equity" hours. In the event that you and your family decide to leave the Habitat partnership or your application is otherwise terminated, the accrued "sweat-equity" hours shall be forfeited without compensation.
3. Habitat currently works 3 - 4 weekdays (to be announced) and Saturday's on construction projects. You and your family are welcome to work during these hours, whether or not you are skilled in construction work. In addition, we may be able to provide opportunities for you to volunteer for office work or ReStore.

4. Attend a series of _____, (Homeowner's Initials _____, _____ prospective homeowner workshops relating to home ownership and associated subjects.

Your acceptance as a Habitat partner is based on the information contained in your application. In the event Habitat determines that the information contained in your application was materially inaccurate or if there is a materially negative change in your financial situation, (such as the loss of employment), Habitat reserves the right to terminate your selection as a Habitat partner. You should notify Habitat as soon as possible if there is a significant change in your financial situation.

Habitat is committed to working with its partner families when they experience difficulties.

In addition, Habitat reserves the right to terminate your selection as a Habitat partner family if:

1. you experience a material adverse change in your financial situation, and Habitat determines, in its discretion, that you can no longer afford a Habitat house;
2. you fail to complete the required minimum of 250 "sweat-equity" hours upon completion of your home;
3. you fail to attend the required homeowner workshops within _____ 6 _____ months of the date of beginning of construction of house;
(Homeowner's Initials _____, _____)
4. you fail to make your complete down payment of \$500.00 upon completion of your home.
(Homeowner's Initials _____, _____)

This letter is to help you understand the purposed underlying Habitat for Humanity's partnership mission. In acknowledging this letter, you are indicating that you understand Habitat for Humanity's purposes and that you will satisfy the above requirements. Also, you are agreeing to become involved as a partner in the mission of Habitat for Humanity.

By signing this letter, Habitat for Humanity is indicating its intention to work with you to develop a plan for the construction or acquisition of a home for you and your family. Habitat for Humanity will make reasonable efforts to complete the house in accordance with the plan; however, Habitat is unable to promise that all houses will be built according to plan or that all houses will be built at all. Habitat for Humanity cannot guarantee completion dates of the houses it builds.

After construction has begun, Habitat will review with you the purchase price of the home, the anticipated duration of construction and other matters relating to your participation as a Habitat partner and your responsibilities as a Habitat homeowner.

Houses constructed by Wabash Valley Habitat for Humanity are built with your labor and with mostly volunteer labor. The parties to the Letter of Intent, Purpose and Acceptance, understand and agree, and hereby confirm their mutual intention that the contemplated Habitat house will remain affordable to a family living at or below 80% of the median income in Vigo County for 10 or more years. To accomplish this purpose, the parties agree to execute notes and contracts restricting sale, and re-sale of encumbrance of said residence.

When the construction of the proposed new Habitat house is finished the balance for the purchase price shall be financed by Habitat in accordance with an Agreement to Purchase, First & Second Mortgage, First & Second Promissory Notes, Escrow Agreement, Mortgagors' Affidavit, Shared Equity Agreement, and Warranty Deed. Once you have signed all contracts and escrow has closed your family will be allowed to move into the new house. The partnership between you and Habitat for Humanity requires your thorough understanding of and commitment to the purposes, intentions and principles underlying Habitat for Humanity's partnership housing program.

If you are unable to meet the requirements outlined above, or if you are unable to make the commitment required of a Habitat housing partner, please advise Habitat accordingly. However, your signature below indicates your understanding of, and commitment to the purposes, intentions and principles underlying Habitat for Humanity's partnership housing program.

In Partnership,

Wabash Valley Habitat for Humanity

By: _____

Print Name: _____

Title: _____

I have read, understand and agree to the foregoing pages.

Date

Prospective Homeowner Signature

Print Name

Date

Prospective Homeowner Signature

Print Name

Date

Witness

Sample: replace with signed agreement