



### ***A LETTER TO OUR LAKE CITY LENDERS***

The person holding this letter wants to purchase a home from Habitat for Humanity Seattle King County and requires financing. We have referred them to your office to secure pre-approval for mortgage financing. Please treat this Habitat buyer as you would any market rate buyer by approving them for the most financing they can secure based upon their income, credit and available cash. Any portion of the projected sales price which is not covered by the first mortgage, deferred loans and/or down payment assistance you pre-approve for the buyer will be provided through FNMA approved financing from Habitat.

These homes are being built. Once they are ready to be sold we will send the buyer back to you for final approval. At that time, we will work with you and the buyer to insure their financing keeps their housing costs at an affordable level (between 25% and 35% of the buyer's gross income). As in the pre-approval process, Habitat will provide FNMA approved financing to fill any gap between the actual sales price and the financing you provide.

The home this person is interested in buying is located in the Lake City Community of Seattle, WA. The projected sales price for these 4 bdrm/2 bath homes is \$425,000. In order to qualify to purchase a home in Lake City, interested parties must meet a minimum buyer financing of \$285,000. This means that the buyer's income, available cash and credit worthiness must be strong enough to secure financing that exceeds this amount.

Please do not limit the buyer's pre-approved financing to the minimum buyer financing, instead pre-approve them as you would any market rate buyer. If the applicant is selected by Habitat, when it comes time to purchase the home, we will work with you and the buyer to insure their financing sets their housing costs at an affordable level (between 25% and 35% of their gross income).

The following are the projected housing costs, not including principle payment or interest, associated with the Lake City Homes:

- Insurance: \$50
- Property Taxes: \$300
- COA Dues: \$200
- Ground Lease: \$30
- Total: \$580

If you have any questions about closing documents, financing procedures or other items surrounding the sale of a Habitat home please call Donna Adair at 206-855-5214 or contact her via email at [donna.adair@habitatskc.org](mailto:donna.adair@habitatskc.org).