



## Frequently Asked Questions (FAQ)

### Q. Who is served by the Methow Housing Trust (MHT) Homeownership program?

The MHT Homeownership program aims to help bridge the gap between the rising cost of Methow Valley homes and the modest incomes on which many local residents live. We aim to serve local individuals and families with incomes of 60% -120% of Okanogan County Median Income.

#### 2020 Okanogan County Monthly Area Median Income Guidelines

Household Size		Income Guidelines (60-120%)
1		\$2,360-\$4,720
2		\$2,695-\$5,390
3		\$3,030-\$6,060
4		\$3,365-\$6,730

### Q. I make under or over the income requirements, is there any way I may qualify?

A. If homeownership is your goal and you fall outside of the current income requirements, please reach out to us. We are able to utilize the USDA 502 Direct loan option for lower income applicants, which can sometimes allow MHT to serve those making lower than 60% AMI.

### Q. How many MHT homes are currently owned by “low income” households?

A. 11 out of the 17 Methow Housing Trust homes are owned by Methow residents who qualified for financing via a USDA 502 Direct Loan, a program that makes lower interest rates and small down payment loans available to households who earn less than 80% of Area Median Income.

### Q. What is the average mortgage for a MHT home?

A. Monthly mortgage depends many things, including the type of loan and the overall loan amount. The average monthly mortgage (including property taxes and insurance) for a MHT homeowner is \$807.

### Q. What makes owning an MHT home different than owning on the open market?

MHT is a Community Land Trust (CLT), a “shared equity” homeownership model with a 50-year track-record of creating greater community housing equity. Based on this national model, every



MHT home is permanently affordable, and appreciates at a fixed rate, not tied to market forces. When you buy a Methow Housing Trust house, you purchase and own the structure, and sign a 99-year lease to live on and enjoy the land under your home. The lease provides you with the security you need, and it provides MHT with the guarantee that the home will remain affordable in perpetuity. As a MHT homeowner you agree to the following:

- As long as you own the house, you and/or your family will live there full-time.
- You will maintain the house and land.
- When you are ready to sell, you will work with MHT to sell the house to another income eligible family, at a price that is calculated according to the resale formula in the lease so the house remains affordable for the next buyer.

**Q. What are some goals of Methow Housing Trust programs?**

- To create greater access to housing security for Methow residents.
- To mitigate market-force displacement of the people of the Methow Valley (bridge the gap between income/wages and real estate values.)
- To add to the availability of workforce housing, helping businesses to recruit and retain employees.
- To provide the opportunity for local residents to age in place.

**Q. How many people/families will MHT serve?**

On average, Community Land Trust homeowners (national-wide) own their home for approximately 7 years. MHT plans to build and steward 50+ CLT homes by 2025. Over the course of the next 50 years, as many as 350 families/individuals will be served through the MHT homeownership program.

**Q. What are the eligibility requirements for purchasing a home?**

- 1. Residency:** You must be a resident and you must have lived or worked in the Methow Valley for at least 12 months (or have a written commitment from a Methow Valley employer).
- 2. Income Eligible:** At the time you purchase your MHT home, your gross household income must not exceed **120% of Area Median Income**.
- 3. Asset Eligible:** At the time you purchase your MHT home, personal assets may not exceed 80% of AMI. \*Exceptions for retired households.
- 4. Be Able to Qualify for an Approved Mortgage:** This requires proof of steady income and adequate credit (as determined by the lender).
- 5. Homeownership:** Previous or current homeownership does not automatically disqualify an applicant from being eligible for MHT housing; however, applicants must



sell a previously owned home prior to closing on the purchase of a MHT home. The value of a home owned at the time of application is included in the calculation of the applicant's Net Personal Assets to determine whether the applicant qualifies to purchase a MHT home.

**6. Continued Eligibility:** Applicants must continue to meet eligibility criteria from initial application through final home purchase.

**Q. Why does the Methow need this?**

Over the past 10 years, median real estate sale values have been outpacing wage increases 3:1. Now, 50% of our community members cannot afford to buy a home in the Methow Valley if they wanted to. With 41% of Methow homes seasonally un-occupied, and many more being sold as nightly rentals, the MHT homeownership model provides a solution for low to moderate residents looking for long-term housing security at a price they can afford.

**Q. Why is MHT developing homeownership options instead of rentals?**

We recognize that the housing needs in the Methow Valley are great and that a spectrum of housing solutions are needed, including increased long-term rental stock. For most small rural communities, affordable homeownership development has been determined to be the first, most attainable solution to addressing housing issues. Additionally, every time a MHT home is purchased, a previously occupied rental becomes available, so there is a continuum of impact. While MHT is currently focused on creating homeownership opportunities, we are advocates of all community led housing solutions that help protect the long-term stability of our Valley residents.

**Q. How does one apply to purchase a home?**

Call or email us to talk more about the program and questions you may have, complete our online application at [methowhousingtrust.org](http://methowhousingtrust.org). **Email: [sarah@methowhousingtrust.org](mailto:sarah@methowhousingtrust.org)**  
**Telephone: 509.996.5943**

**Homeownership is a process, and even if you don't fit perfectly into MHT's eligibility requirements today, we are happy to meet with you and discuss ways for you to become "purchase ready."**