

Habitat Tuscaloosa – House Pricing Policy

- Habitat Tuscaloosa pays a licensed third-party appraiser the value each home once construction is complete.
- When the report is received, the home is priced at the appraised value.
- Any down payment assistance, prior payments, etc. are deducted from that amount, and other closing costs are added to get the loan value.

- If the appraisal comes back considerably higher than expected and higher than the homeowner can afford, the difference between the appraised value and amount the homeowner can afford is turned into a 30-year forgivable mortgage.
- With this forgivable mortgage $1/360^{\text{th}}$ of the mortgage is forgiven every month.
- If the home is sold prior to the end of 30 years, the Habitat homeowner will owe the remaining balance of the actual mortgage and the forgivable mortgage.