

CITY OF MIRAMAR NSP PURCHASE/REHAB PROGRAM SUMMARY

The City of Miramar has been approved to receive \$9,312,658 in emergency assistance from the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP). The purpose of the City's NSP program is to facilitate the purchase and rehabilitation of vacant foreclosed properties that might otherwise become sources of abandonment and blight within the community. The foreclosure process *must* be complete and the unit unoccupied.

Purchase Assistance

The NSP program is a Down Payment and Principal Buy Down program for qualified persons who want to purchase a foreclosed upon and vacant property in Miramar as their primary residence. The City will assist eligible buyers a portion of the lender's required down payment and can also assist with paying full closing costs and buying down the mortgage principal. The assistance is in the form of a 0% interest deferred loan. The buyer is expected to contribute at least 1% of the sales price to the transaction. The contribution must be his or her own funds. It can not be borrowed or a gift. The City will provide up to \$60,000 to assist with the purchase. The level of assistance is based on household income and underwriting criteria established.

Very Low and Low Income:	50% AMI or Lower	Up to \$60,000
Moderate Income:	51% AMI to 80% AMI	Up to \$40,000
Middle Income:	81% up to 120% AMI	Up to \$30,000

PLEASE NOTE: DO NOT ENTER INTO ANY "CONTRACT FOR SALE AND PURCHASE" UNTIL YOU HAVE RECEIVED A "NOTICE OF AWARD" LETTER. Also, the first step in determining if you are eligible for assistance is to contact one of the program's registered lenders. We will not accept pre-approvals from a non-registered lender. The approved lenders list is posted by the program application on www.crafla.com. We do not add new lenders during the application period.

The registered lenders offer FHA, conventional and other types of approved loans. If the lender is able to pre-approve/pre-qualify you, they will issue a pre-approval/pre-qualification letter and send it directly to CRA per the program's instructions. CRA will contact you to schedule an appointment to submit your application once we receive a copy of your pre-approval/pre-qualification from your lender via e-mail. Please be sure to read the full instructions for applying for this program on www.crafla.com or in the application package.

Home Repairs for NSP

The City has also set aside additional funds through NSP to provide minor home repair assistance to homebuyers who have purchased a home through the NSP program. The program application covers both types of assistance, so you do not have to apply for repair assistance separately. Prior to completing the purchase transaction, all properties are required to receive a full property inspection including roof, termite, building code and open permit search. It is the responsibility of the buyer and lender to ensure these are completed and sent to CRA for review. This inspection process will provide an idea of the necessary repairs and costs associated with purchasing that unit. The City will provide up to \$40,000 for repairs.

The repair process will occur immediately after the property is purchased. Since repairs are intended to be minor, the buyer can occupy the unit as the repairs are being completed. Repairs will address building code violations, health/safety repairs, energy efficiency and other minor repairs. Repairs will be undertaken by licensed and insured general contractors and facilitated by CRA.

Very Low to Low Income: 50% AMI or Lower	Up to \$40,000
Moderate to Middle Income: 51%-120% AMI	Up to \$30,000

This NSP purchase and home repair program is available to eligible applicants (low to middle income buyers) who are able to qualify for a mortgage. Maximum income limits are established by the Federal government and are subject to change.

Applicant Requirements:

- Applicants do not have to be first time home buyers BUT must not own a home, in whole or in part, at time of application and prior to closing on the purchase of a NSP eligible property.
- Applicants must be able to qualify for a primary mortgage in order to receive assistance from the City. This requires good credit as determined by the lender. The City is not providing funds for the entire purchase of the home.
- Purchase assistance applications will not be accepted without a mortgage pre-approval from a lender.
- Applicants must sign the City's mortgage and promissory note. The City's mortgage (typically a second mortgage) is forgiven after 15 years.
- Total household income can not exceed 120% of the area median income. Please see income guidelines.
- Applicants must attend a HUD approved 8 hour homebuyer education class prior to closing.
- Applicants must be able to verify cash to close, income and assets
- Applicants are processed and served on a first-come, first qualified basis.

Program Benefits:

- NSP funds can be used to pay a portion of the lender's required down payment, 100% of closing costs and assist with reducing mortgage principal balance
- Ability to purchase property at a discount
- Below market interest rates may be available from your lender per program underwriting guidelines
- Reduced closing costs
- Fixed rate term for 30 to 40 years
- Liberal qualifying ratios
- Assistance with the home buying process

Eligible Properties:

- Single-Family Homes
- Townhomes
- Condominiums/Villas
- Limitations on maximum sales prices - \$250,000
- All properties must have an inspection
- All properties must be foreclosed upon and vacant pursuant to HUD definitions

- Properties must be purchased at a minimum 1% discount. Discount must be based off an appraisal completed no older than 60 days from date of purchase contract
- Short sale purchases, investment or second homes purchases are not permitted under this program
- All properties must be within the City limits of Miramar. Please refer to the document, "Finding NSP Property," also available online, to determine priority area.

Documentation Verified to Determine Eligibility for 0% Deferred Loan from City:

- Completed application and disclosures with signatures and date
- Proof of citizenship or legal residential status
- Three (3) pay stubs for all household members over 18
- Six consecutive (6) bank statements for all household members who have accounts
- Other assets - 401(k), retirement/pension, IRA, CDs, annuities, etc.
- Life insurance policy type and cash value (if applicable)
- Self-employment income statement with schedule C, E, or F
- Social security, supplemental security income (SSI), and disability benefits
- Proof of unearned income, child support/alimony, contributions and gifts
- Statement for scholarships, grants, and veterans administration benefits

Terms of Assistance:

0% interest, deferred payment loan secured by a mortgage and note for 15 years. The loan is forgivable in its entirety at the end of the term. The term begins the date of the closing, provided the title remains under the ownership of the original purchaser. There will be a loan for the purchase and a separate loan for repairs. There is no yearly write down for either loan.