



Neighborhood Stabilization Program

REAL ESTATE PROFESSIONALS

Frequently Asked Questions

Q. As a pre-registered lender, are there underwriting criteria I must follow?

Yes. All prospective buyers must be pre-qualified/pre-approved based on the program's underwriting criteria. Applicants must be able to show they can contribute at least a minimum of 1% of purchase price at the time of pre-approval. Applicants' credit and income must be verified at the time of pre-approval. CRA will request the initial loan application during the verification process to ensure income is consistent.

Q. Can the prospective buyer enter into a contract before they get an approval?

NO. DO NOT ENTER INTO A "CONTRACT FOR SALE AND PURCHASE" UNTIL THE BUYER HAS RECEIVED A "NOTICE OF AWARD" LETTER FROM CRA of Florida.

Q. Who is my main point of contact?

The realtor's main point of contact will be the lender. The lender will be in contact with CRA to ensure a smooth process.

Q. Does the City have properties?

All information (income, assets, etc) presented on your purchase assistance application must be verified by third-party. After this process is complete, you will receive a Notice of Eligibility/Pre-Award. This is also based on funding availability. The amount of time it will take to know if you are approved depends on the number of applications received and order in which your application was submitted.

Q. How long do prospective buyers have to find a property?

They have 45 days from the "Notice of Award" to find a property and then 30 days from the contract date to close on the property.

Q. What properties are eligible for the program?

SFR, Condos, Town homes, and Villas that have been foreclosed, are vacant, and are located within the City's priority target area. Please see the city's target area map. The City does not maintain a list of properties, but CRA will e-mail a list of any known properties that may be available as presented by lenders, listing agents and asset managers.

Q. Are there any requirements to the contract needed for the program?

Yes. There is a required addendum needed to be included in the contract. The seller must be aware that the purchase price must be at least 1% below current appraised value. Every contract must also have a financing contingency included.





Q. Do we need an inspection done on the property?

Yes. A full property inspection is required with estimate of repairs. An open permit, liens or code inspection must be performed. A full termite, roof, and pest inspection must be done.

Q. Who is responsible to pay for the inspection?

The buyer is responsible for the cost of the inspections and appraisal. The cost of the inspections and appraisal can be included in the buyer's 1% minimum contribution required for the program.

Q. Can the appraisal be done by any appraiser?

The appraisal has to be done by a licensed appraiser within 60 days of closing. If the borrower is pre-approved for an FHA loan, the appraiser must be FHA approved. Be aware that most lenders require that you use one of their approved appraisers. The program also has a scope of work that appraisers must adhere to.

Q. Can the buyer use their funds for home repairs?

Once the buyer qualifies for the home purchase assistance funds, they will also be eligible for additional funds to help with qualified home repairs.

Q. What type of improvements can be made?

Correction of any building code violations, correct any health or safety problems in the home, provide safe electrical and mechanical systems, stop weather penetration, help make home more energy efficient, help improve general condition of the home.

Q. When will repairs be done?

Once the purchase transaction is completed, the home repair process will begin. However the lender may require that the funds be put in escrow to complete the repairs as a condition of the closing. FHA 203K is also an option to finance homes that need repairs as a financing contingency.

Q. How long do they have to do the repairs?

The repairs must be completed within 90 days.

Q. Can the buyer find their own contractor to complete the repairs?

No. The repairs will be put out for an open bid to a list of pre-approved contractors and the lowest most responsive bid will be awarded the job.

Q. Can the buyer do the repairs and receive "sweat equity"?

No. The buyer can do some of their own minor repairs; however they will not be reimbursed for them through the program. Only pre-approved contractors will be compensated through the program.





Q. What happens if the repairs are more than the maximum allowed award?

The buyer must be aware that they can not receive more than the maximum award, unless there is a code or health and safety issue. If desired improvements exceed amount, the buyer will be responsible for the additional amount of repairs.

Q. What happens if the repairs are less than the approved amount of the award?

Only the amount of the approved repairs will be paid to the contractor doing the repairs. No one can receive cash back from the program.

Q. Can the buyer live in the property while the repairs are being done?

The program is meant to address minor repairs and it is expected that the property is in a condition to be moved into at closing.

Q. How is the home repair money distributed?

The home repair money will be distributed as a 3rd lien on the property with 0% interest and will be forgiven at the end of the affordability period.

Q. Can the funds be used for room additions to the home?

No. The funds should be used for necessary minor repairs and energy efficiency improvements.

INCOME CHART

Household Size	0-30% AMI Very Low Income	31-50% AMI Low Income	51-80% AMI Moderate Income	81-120% Middle Income
1	\$16,050	\$26,800	\$42,850	\$64,250
2	\$18,350	\$30,600	\$48,950	\$73,450
3	\$20,650	\$34,450	\$55,100	\$82,600
4	\$22,950	\$38,250	\$61,200	\$91,800
5	\$24,800	\$41,300	\$66,100	\$99,150
6	\$26,600	\$44,350	\$71,000	\$106,500
7	\$28,450	\$47,450	\$75,900	\$113,850
8	\$30,300	\$50,500	\$80,800	\$121,200

Effective March 19, 2009 - *Income should not exceed Column 5 (81-120% Middle Income) – Income Guidelines are Subject to Change

HOW TO READ THIS CHART: Your household income can not exceed the income identified in the last column of the above table. The NSP program counts **total household income** regardless of who is purchasing the property. Gross income is used to determine eligibility. We also evaluate assets and income earned from assets. Sources of income include W2 wages, 1099 income, self employment income, social security, SSI, pensions, child support, reoccurring deposits, etc. All sources must be disclosed on your application. All sources will be verified by third-party. The program does not look at what you made the previous year. We take the **current** household income and project it forward 12 months to determine your program eligibility.





Eligible NSP Properties



Eligible NSP Property Types

Single-family homes, condominiums, townhomes, and villas located within the City. The property must also be located within the target areas/census tracts indicated in the NSP map. Short sales and new construction homes are not eligible.

NSP Notice Definition: Foreclosed. A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

Discount: All homes assisted with NSP funds must be purchased at a discount of at least 1%. The discount will be taken from the independent appraisal on the properties. Each appraiser will be given the scope of work for an acceptable appraisal.

Purchase Price Limit: \$250,000.

Maximum Amount of Assistance:
(For purchase assistance)

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

Maximum Amount of Assistance:
(For rehab assistance)

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

25% of the City’s NSP Funds Must Be Set Aside For Low Income Households. Households Will Be Assisted On A First Come, First Qualified Basis.

Affordability Period: 15 Year Affordability Period. There will be no yearly write down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, the borrower does a cash-out refinance, or the home ceases to be the primary residence of the owner during this period.

Minimum Loan-to-Value for First Lender: 81-120% AMI – 80% LTV
51-80% AMI – 70% LTV
50% AMI or Less – 50% LTV

Inspections: Full inspections including the following are required: *Roof, Pest, Home, Open Permit/Building Code, Lead/Asbestos (PRE-1978 Homes), as requested by CRA.*



Target Areas:

Figure 1: Census Tracts

