



SANTA ROSA COUNTY

HOUSING

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)



HOUSING FINANCE

Santa Rosa County has \$919,200 under the Neighborhood Stabilization Plan for funding to improve access to mortgage capital on flexible terms to increase occupancy of foreclosed homes, facilitate property renovation by helping low-moderate-middle income families to access responsible credit and financing to promote homeownership with long-term affordability in the areas of greatest need.

Target Area (census tracts): Eligible properties must be located in the target area.

106.00	107.05	108.01	102.00	105.20	105.01	108.05
107.06	101.00	104.00	107.04	108.02	107.02	108.06

Family Income/Underwriting Eligibility Requirements:

1. Applicants will be approved on a first come, first qualified basis. Applicant's gross household annual income must meet limitations as published for the Pensacola MSA by the U. S. Department of Housing and Urban Development (adjusted annually). As of March 2009 income limits are as follows:

<u>Number in Household</u>	<u>Maximum Household Income</u>
One	48,000
Two	54,840
Three	61,680
Four	68,520
Five	74,040
Six	79,440
Seven	84,960
Eight	90,480

2. Applicant must have adequate, stable income and an acceptable credit rating, as determined by a participating mortgage lender. Purchaser must qualify through a mortgage lender for a conventional, FHA, VA fixed rate mortgage with a 30-year term. Sub-prime mortgages and adjustable rate mortgages are not allowed.
3. The housing unit must be affordable with total monthly principal, interest, taxes and insurance not exceeding 35% of the family's total gross monthly income. Total debt ratio can not exceed 41%.
4. The home must be the primary residence of the applicant. If the homeowner moves out, sells, transfers, rents, refinances (without approval first by SRC) or adds additional liens, or fails to maintain property insurance during the 15 year residency requirement, the entire award amount must be repaid.
5. All recipients of NSP funding are required to attend an eight (8) hour HUD approved Homebuyer Education Class (in-person) within six months prior to the date of closing. Classes are available through Consumer Credit Counseling Service of West Florida. Reservations for the class can be made by calling 434-0268, extension 202. The class is provided free of charge to the prospective homebuyer.

Neighborhood Stabilization Program

DCA Reviewed/Approved 11/4/2009

Housing Program 6051 Old Bagdad Highway, Suite 201, Milton, FL 32583 Phone: 850-981-7076

Type of Assistance

A deferred payment loan at 0% per annum interest will be provided. The loan will be secured by a note and mortgage. The lien/affordability period is fifteen (15) years. Assistance will be in accordance with HUD/CDBG purchase assistance guidelines. Funding is available to provide direct assistance to subsidize mortgage rates and principal amounts, acquire guarantees of financing from private lenders, providing up to 50% of program required down payment and reasonable closing costs.

Property Requirement:

Priority will be given to units meeting the following criteria:

- Units outside of special flood hazard areas
- Units that were built after January 1, 1978
- Units that are less than 50 years old
- Units that need minor repair or no repair

Disqualifying criteria:

- Properties with excessive liens or recorded encumbrances to delay completion of purchase transaction.
- Properties with environmental or other hazards that would preclude a timely and cost effective acquisition.
- Properties with encroachments that cannot be brought into compliance within a reasonable time frame.
- Prefabricated, manufactured housing or trailers are not permitted.

Each property will require a current appraisal completed within sixty days prior to the executed sales agreement. Each foreclosed property must be acquired at a minimum discount of one percent (1%) below the current appraised value. In addition, each property is subject to a site review by the Environmental Certifying Officer for Santa Rosa County to determine funding eligibility.

If the property under consideration for purchase must be repaired/rehabilitated, the applicant must work through a HUD approved lender qualified to provide an FHA 203(k) property rehabilitation loan.

Other Requirements:

- All recipients who receive NSP will be required to provide proof of insurance at closing and maintain homeowners insurance including fire, liability, casualty, and theft coverage for the duration of the lien.
- If a property is located in a Special Flood Hazard area, flood insurance will be required. Preference will be given to properties located *outside* of special flood hazard areas.
- Program beneficiaries must disclose all potential conflicts of interest in writing.
- Lenders who wish to participate in the program must attend an information meeting with housing program staff prior to submitting an application for a client.
- Following lender approval and application submission to the housing program office, applicants will be required to meet with housing program staff to complete program documentation.