



City of Phoenix

Neighborhood Stabilization Program (NSP) Homeownership Assistance Fact Sheet

NSP Program Overview

As part of the Housing and Economic Recovery Act (HERA), passed by Congress in July 2008, \$3.92 billion was provided to communities hardest hit by residential foreclosures and mortgage delinquencies. The city of Phoenix received \$39,478,000 in Neighborhood Stabilization Program (NSP) funds to help families purchase foreclosed homes at a discount, which in turn helps stabilize neighborhoods. NSP Homeownership Assistance funds are for down payment and closing cost assistance for eligible homebuyers.

Homeownership Assistance Description

The NSP Homeownership Assistance Program provides a \$15,000 loan for down payment and closing cost assistance for buyers of foreclosed homes anywhere in the city of Phoenix. The full amount of the loan is paid back to the city when the homebuyer sells the home or refinances. The program targets foreclosed single family homes, townhouses and condominiums (condo conversions are not eligible) that meet HUD Housing Quality Standards (HQS). The Homeownership Assistance program is for down payment and closing cost assistance **only** and cannot be used to fund rehabilitation activities.

Eligible Homebuyer

Eligible families can earn up to 120 percent of area median income (AMI), which is based on family size. In determining a family's income, all wages and salaries of all family members over age 18 are considered as well as other sources of income.

Family Size	1	2	3	4	5	6	7	8
120% AMI Income	\$55,350	\$63,250	\$71,150	\$79,100	\$85,400	\$91,750	\$98,050	\$104,400

huduser.org/Datasets/nsp.html

Families must be FHA creditworthy and have completed the NSP-required eight-hour Homeownership Education and Credit Assessment counseling. Families must maintain the property as their principal residence.

Eligible Property

To be eligible for NSP Homeownership Assistance funds, properties must meet the following requirements:

- Located in the city of Phoenix
- Foreclosed and have changed title
- Appraised within 60 days of the purchase contract
- Purchase contract must contain four contingencies:
 - Purchase price is no more than 99 percent of the “as is” appraised value of the property as determined by an appraisal conducted within 60 days prior to closing.

- Property is in compliance with the city of Phoenix Neighborhood Preservation Codes (see phoenix.gov/CLEANPHX/topseng.pdf).
- Property must pass a Housing Quality Standards (HQS) inspection as defined by the Department of Housing and Urban Development (see Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f)).
- Purchase contract must contain a signed “Lead Disclosure Form” from seller for properties built pre-Jan. 1, 1978. Additionally, an HQS inspector will assess the paint condition. Lead paint repairs must comply with requirements in the Lead Disclosure Rule (24 CFR part 35, subpart k).

Program Description

The NSP Homeownership Assistance program consists of three phases – each with very specific requirements:

Homebuyer Education and Credit Assessment

- Complete eight hours of counseling from a HUD-certified housing counselor
- Receive a Certificate of Completion from the HUD-certified counselor
- Qualify for a 15-year or a 30-year, fixed rate, amortizing loan (not subprime)

Eligibility Verification

- Determine income eligibility and invest \$1,000 from own funds
- Find eligible bank-owned foreclosed property
- Verify purchase price of at least 1 percent below appraised value

Closing Requirements

- Sign purchase contract with city required contingencies (see above)
- Pass Housing Quality Standards (HQS) inspection before close of escrow
- Completed HUD environmental impact assessment (provided by the city)
- Lead Disclosure Form signed by seller if property pre-Jan. 1, 1978
- Obtain three-year home warranty contract, not to exceed \$1,500
- Execute city Homeownership Assistance loan documents/agreements

Counseling Partners

To find out more about the Homeownership Assistance Program and to see if you or someone you know is eligible, contact one of the following city of Phoenix NSP Program counseling partners:

Chicanos Por La Causa
1242 E. Washington St., Ste. 103
Phoenix, AZ 85034
602-253-0838
www.cplc.org

Community Housing Resources of Arizona
4020 N. 20th St., #220
Phoenix, AZ 85016
602-631-9780
www.communityhousingresources.org

Greater Phoenix Urban League
1402 S. Seventh Ave.
Phoenix, AZ 85007
602-254-5611
www.gphxul.org

Neighborhood Housing Services Phoenix
1405 E. McDowell Road, #100
Phoenix, AZ 85006
602-258-1659
www.nhsphoenix.org

For more information, call the city of Phoenix NSP Program hotline at 602-262-6602 or visit the city’s Web site at phoenix.gov/nsphome to learn about an upcoming NSP information session that will take place near you.

For other NSP programs within Arizona, please visit the web site www.yourwayhomeaz.com