

**City of Phoenix Neighborhood Stabilization Homeownership Assistance Program
Lender Fact Sheet for Consideration of Program Approval**

Program Administrator- Community Housing Resources of Arizona (CHRA)

LENDING INSTITUTION: _____

CONTACT PERSON: _____

CONTACT INFORMATION: _____ (_____) _____
E-Mail Telephone

DATE SENT: _____

Program Description

The City of Phoenix provides a \$15,000 loan to households purchasing a foreclosed house in Phoenix. The loan may assist with down payment and closing costs with any balance applied to the principal of the first mortgage loan. The City's loan is a 0%, deferred payment loan due in full at the earlier of the time of sale, transfer of the property, refinance, failure to make the home their principal residence; or, at 45 years.

Program Parameters

- Homebuyer household annual income – up to 120% of area median income based on family size. In determining income, all wages and salaries of all family members over age 18 are considered as well as other sources of income for the total household.

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

- Requirements of first mortgage ratios: 31% / 43% - FHA Standard Guidelines
- First mortgage terms – 15 or 30 year fixed-rate, fully amortizing
- Homebuyers must complete an eight-hour homebuyer education class and a two-hour credit assessment with completion certified by a HUD-certified counselor
- Homebuyers must contribute a minimum \$1,000 from personal funds for down payment or closing costs
- Homebuyers cannot currently be on title for any residential property
- House must be located in Phoenix
- Purchase price cannot exceed 95% of the FHA mortgage limit for one unit
- House must pass a Housing Quality Standards (HQS) inspection before close of escrow or at the completion of the rehab activities funded through an FHA 203K loan
- Lead-based paint inspection is required for properties built before 1978

- Funds will be secured by a promissory note and recorded subordinate deed of trust
- Funds will be paid directly to the title company. Excess funds will be applied to principal of first mortgage

How Does A Homebuyer Apply?

- Homebuyers call CHRA to set up an appointment after they have met the homebuyer education and credit assessment requirements

What is the Next Step for a Lender?

- Forward this information sheet and the accompanying loan documents to your special products division and request approval of The Neighborhood Stabilization Homeownership Assistance Program.
- Advise the CHRA Preparer (below) if you will be listing the Neighborhood Stabilization Homeownership Assistance Program as an approved down payment assistance program.

Joann Hauger, Executive Director

CHRA Preparer: _____

joann@communityhousingresources.org

Contact Information: _____

**Community Housing Resources of Arizona
4020 N. 20th Street, Suite 220
Phoenix, AZ 85016
(602) 631-9780**

Attachments:

- NSP Promissory Note**
- NSP Deed of Trust**
- NSP Declaration of Affirmative Land Use Restrictive Covenants**
- NSP Rider to the Note and Deed of Trust**