



**Notice: Most NSP funds are committed as of 10-24-2011.**

- Please note changes in #2 for limited funds.

**Neighborhood Stabilization Program (NSP) Fact Sheet**

1. These funds can be used to loan money to low- and moderate-income homebuyers to purchase vacant, bank-owned homes where all immediate health and safety repairs are complete and have been inspected for compliance with program standards. **The homes must have been vacant for 90 days.**
2. **Placer County’s initial allocation of these federal NSP funds to loan, have been committed. A small amount of funds returned from sale of houses is available for a limited period of time.**
3. Eligible areas of Placer County include North Auburn, Bowman (95602 and 95603), Sheridan (95681), Foresthill (95631), and parts of the cities of Rocklin (95677) and Lincoln. The Tahoe Vista and Kings Beach zip codes 96143 and 96148 are eligible. The City of Roseville has its own program.
4. Homebuyers need to meet the requirements similar to other federally funded homebuyer programs: pre-approval of the first loan; homebuyer education; documentation of income, etc.
5. The Banks must sell the home at 1% below the appraised price. Real estate agents, mortgage brokers and banks should note the attachment on appraisal standards. **(See Guidance on NSP Appraisals)**
6. **Household income cannot exceed Moderate-Income Limits. The estimated 2010 moderate-income limits for a household of 4, earns less than \$87,720. Other family size income limits are:**

| Household Size | 1        | 2        | 3        | 4        | 5        | 6         | 7         | 8         |
|----------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
|                | \$63,050 | \$72,100 | \$81,100 | \$90,100 | \$97,300 | \$104,500 | \$111,700 | \$118,900 |

7. **Homebuyer assistance is in the form of a second deed of trust, deferred payment, shared equity loan up to \$125,000, but no more than 45% of the purchase price. However, the maximum loan amount is subject to availability of funds.**

8. For those bank-owned homes in need of rehabilitation, Placer County will have a contract with Mercy Housing to acquire bank-owned homes, repair them, and then resell them to low- and moderate-income home buyers. Mercy Housing was selected in **August 2009** as part of a jointly issued RFP.
9. Placer County will be responsible for administering the program and tracking the funds. This will be done by the Redevelopment Agency, with reimbursement from NSP. No County General Funds are used.
10. The Program Interest Form can be filled out for this program. (See Program Interest Form) Note that NSP buyers do not have to be First Time Home Buyers. Call 530-745-3150 for more information or go to:  
<http://www.placer.ca.gov/Departments/CEO/Redevelopment/housing.aspx>
11. Housing Ratio is the minimum and maximum payments for the first deed of trust loan the homebuyer needs to qualify for from a bank or similar commercial lender: Housing Expenses for PITI (Principal, Interest, Taxes, Insurance, Mello-Roos, Mortgage Insurance, Homeowner Association Dues) are to be between 30% and 35% of gross monthly household income. That is the front-end ratio.
12. Total Debt Ratio cannot exceed 47% of gross monthly household income. Total Debt Ratio, also called back-end ratio, includes Housing Expenses and other debt, such as car and credit card payments and other loan payments.
13. Borrower Investment: Borrowers must invest a minimum of 3% of the purchase price towards the sales transaction. This must be from the borrowers own funds or a documented gift of funds. Gifts of the sales transaction are not allowed for this purpose.
14. Owner Occupancy: The property being assisted with County funds is restricted to owner occupancy for the 30-year term of the loan. If, during the loan period the property is sold, title is transferred to someone other than the original spouse, the property becomes a rental or the borrower is in default of any terms of loan agreements, the loan becomes due and payable along with any interest due.
15. Homebuyer Education Requirement: Participants are required to complete classes. Sacramento Home loan Counseling Loan Center (HLCC) is an approved provider. To schedule your training contact HLCC at [www.hlcc.net](http://www.hlcc.net). A copy of the Certificate of Completion is required prior to the close of escrow.