



**Idaho Housing
and Finance**

Association

www.ihfa.org

NEIGHBORHOOD STABILIZATION PROGRAM (NSP1)

Idaho was awarded 19.6 Million Dollars to Stabilize Neighborhoods. IHFA is the administrator of the grant. Our Partners are Non-Profits and City Municipalities throughout the State of Idaho. Each home was an REO (foreclosed) and was purchased and repaired (as needed) using NSP Federal funds. The potential purchaser must qualify for the NSP Homeownership Assistance. Each Partner has set aside funds specific to each property for Homeownership Assistance, which can be used to help fill the financing gap and/or interest write downs and/or closing costs. The final amount of NSP Homeownership Assistance is based on the purchaser's "need" and will be determined by the IHFA NSP Grant Department at the time of underwriting.

- Maximum funds partners can set aside specific to each property:
 - 20% or \$40,000 whichever is less, based on need
- ❖ Federal Funding imposes requirements on the properties to ensure continued affordability. A 30 year, 2nd mortgage, no payment at zero (0%) interest, due and payable at the time of the sale of the property. During this Period of Affordability, IHFA will be sending a letter each year to make sure the borrower is maintaining the property as their primary residence. Period of Affordability will not be terminated as a result of early pay off of the loan, unless it is in conjunction with the sale of subject property.

Minimum Period of Affordability in years:

Assistance Amounts:	Minimum Period of Affordability in years:
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

- ❖ The home must be the buyer's primary residence. The residence will not be used as an investment property, vacation home, or recreational home. No portion of the property may be used as a rental or to produce income.
- ❖ The property has income restrictions for the buyer, below 50% to 120% of Area Median Income. Specific restrictions should be identified in the property listing. Buyer's lender must complete NSP Borrower Affidavit verifying "household" income. Buyers must have documented need to participate in the program.
- ❖ Non-retirement, liquid assets in excess of \$5,000 must be used to pay down debt and/or used towards the down payment.
- ❖ Buyer must complete the Classroom 8 hour FinallyHome! Homebuyer Education course. Online class is NOT acceptable.

- ❖ 1st mortgage must be by an IHFA approved lender/broker. NSP may be used in conjunction with an IHFA 1st mortgage product (FHA, Conventional, VA, or USDA).
 - Approved IHFA Lender - Approved IHFA lenders can either use an IHFA 1st mortgage product or one of their own products. Must be a fixed-rate 30 year conventional or government-insured loan.
 - Approved IHFA Broker - Approved brokers originate the loan and choose an IHFA 1st mortgage product. IHFA homeownership lending department will underwrite and fund the file. If brokers do not use an IHFA 1st mortgage product, the broker is not considered to be an approved IHFA broker.
 - If IHFA homeownership lending department has issued a Statement of Credit Denial, or Termination of Loan the applicant is no longer eligible for an NSP property.
- ❖ NSP does not have a minimum Fico score requirement – NSP follows the 1st mortgage loan requirements
- ❖ Borrowers do NOT have to be a 1st time homebuyer to qualify; however, they cannot currently own any other property.
- ❖ Voluntary Sales Disclosure to be executed by seller and submitted with the contract, IHFA must receive the “original” Voluntary Sales Disclosure.
- ❖ If the Purchase and Sale contract states the buyer is getting a home inspection, please provide with the submission of the NSP file.
- ❖ Once the 1st mortgage has been underwritten and approved, a complete copy package along with the NSP checklist and required documentation must be submitted to the following:

Idaho Housing and Finance Association
Neighborhood Stabilization Department-4th Floor
565 W Myrtle St.
Boise, Idaho 83707
NSP@IHFA.org