

Neighborhood Stabilization Program (NSP) City of Mesa Homeownership Program

NSP Program Overview

The U.S Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP) provides funds to every state and certain local communities to acquire foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The City of Mesa has been allocated \$9,659,665.00 to acquire, rehabilitate and resell foreclosed or abandoned properties in the 85204 zip code.

City of Mesa NSP Homeownership Program Overview

The City of Mesa is purchasing and rehabilitating homes located in the 85204 zip code bound by Mesa Drive to Val Vista Drive and Main Street to Baseline Road. These properties will be rehabilitated to HUD and City of Mesa housing standards and specifications for habitability. The rehabilitation may include: roof replacement, new HVAC unit(s), new water heater, new windows (dual pane), insulated exterior doors, new appliances, new flooring, interior and exterior paint, new front yard landscaping, baseboards, additional attic insulation, smoke detectors, and new plumbing and electrical. All units will undergo an inspection for termites and lead based paint. Once rehabilitated, these properties will be sold to eligible homebuyers for the total cost of the rehabilitation plus the initial purchase price of the property, or the appraised value of the property after rehabilitation, whichever is lower.

Eligible Homebuyer

Eligible families can earn up to 120% of the area median income (AMI), based on number of persons living in the household. In determining gross household income, all family members over the age of eighteen (18) are considered, as well as other sources of income.

2009 HUD Income Limits for 120% AMI

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

Eligible homebuyers must complete the NSP required eight-hour home-buying counseling from a HUD approved agency, provide a minimum of 1% of the purchase price for down payment, and secure a thirty (30) year, fixed rate, amortizing loan from a lender. The loan may be a FHA or VA loan. Buyers must maintain the property as their primary residence for a period of five (5) to fifteen (15) years. If the homebuyer sells, leases, rents or refinances the property before the five (5) to fifteen (15) year time period has elapsed, the homebuyer will be required to return all or a portion of the funding used to purchase and rehabilitate the property based on a proration of the years occupied and the total funding expended.

Down Payment Assistance

Eligible homebuyers participating in this program will also receive down payment assistance totaling 15% of the purchase price (a maximum of \$15,000). The down payment assistance is a no-interest forgivable loan as long as the homebuyer remains in the property for twenty (20) years from the date of closing. If the homebuyer sells, leases, rents or refinances the property before the twenty (20) year time period has elapsed, the homebuyer will be required to return the down payment assistance in full.

Properties will be sold on a first-come first-served basis and will be posted at http://www.mesaaz.gov/neighsvc/NSP_Updates.aspx. For more information on the Neighborhood Stabilization Program, please contact the City of Mesa at 480-644-4521 or 480-644-5288.