



## Neighborhood Stabilization Program (NSP)

### Information for Homebuyers

The City of Lakeland is pleased to be offering single-family homes for sale to qualified homebuyers through the Neighborhood Stabilization Program (NSP). The following is a general description of the program with answers to some frequently asked questions.

#### Am I eligible to purchase an NSP home?

In order to purchase an NSP home from the City of Lakeland, applicants' household income must be at or below 120% of area median income, adjusted for family size (see chart below). Some NSP homes have been reserved for homebuyers whose income is at or below 50% of area median income. In all cases, homebuyers will be required to attend a HUD-approved 8-hour homebuyer education class and be able to secure first mortgage financing to complete the purchase. Homebuyers who purchase through NSP must make the home their principal residence (homestead), and cannot own a home at the time of their NSP purchase. Investors and non-owner occupants are prohibited.

#### CITY OF LAKELAND, FLORIDA HOUSING ASSISTANCE INCOME SCHEDULE

% OF AREA MEDIAN INCOME	CDBG & HOME UP TO 80% (Federal Funds)				SHIP UP TO 120% (State Funds)	
	EXTREMELY LOW	VERY LOW	LOW		MODERATE	
	30%	50%	60%	80%	100%	120%
BASED ON FAMILY SIZE	HUD & FHFC	HUD & FHFC	FHFC	HUD & FHFC	FORMULA	FHFC
1	11,450	19,100	22,920	30,550	38,200	45,840
2	13,100	21,800	26,160	34,900	43,600	52,320
3	14,750	24,550	29,460	39,250	49,100	58,920
4	16,350	27,250	32,700	43,600	54,500	65,400
5	17,700	29,450	35,340	47,100	58,900	70,680
6	19,000	31,650	37,980	50,600	63,300	75,960
7	20,300	33,800	40,560	54,100	67,600	81,120
8	21,600	36,000	43,200	57,600	72,000	86,400

Income levels are based on Area Median Income (AMI) for family of four at \$54,500

Data effective December 01, 2011 and retrieved from the following web sources:

HUD - <http://www.huduser.org/portal/datasets/il/il2012/2012summary.odn>

Florida Housing Finance Corporation (FHFC) - <http://www.floridahousing.org/PropertyOwnersAndManagers/IncomeLimits/>

## Does the City of Lakeland offer assistance to buyers of NSP homes? What will the purchase cost me?

The City of Lakeland understands that continued affordability is as important as income eligibility and creditworthiness, and has approved purchase assistance for NSP homebuyers as follows:

Income Level	Minimum Homebuyer Investment	Purchase Assistance	Closing Cost Assistance
Very Low (≤50% AMI)	\$500	30% of Purchase Price	Up to 3% of Purchase Price to Buyer's Closing Costs as Seller, Plus \$2,000
Middle (≤120% AMI)	\$1,000	20% of Purchase Price	Up to 3% of Purchase Price to Buyer's Closing Costs as Seller, Plus \$2,000

Purchase assistance will be provided as a 0% deferred payment loan (second mortgage), for a term of 30 years. Repayment is only required if/when one of the following occurs:

- Death of assistance recipient or recipients;
- Property is sold, rented, or no longer used as the assistance recipient's principal residence;
- Home is not maintained to a minimum housing standard.

Closing cost assistance will be provided as a grant to the homebuyer.

### How do I purchase an NSP home?

The following is a step-by-step list of instructions for purchasing an NSP home from the City of Lakeland.

1. Confirm that your household income is at or below 120% of area median income, adjusted for family size (currently \$64,560 for a family of four; see chart on previous page).
2. Register for and complete an 8-hour HUD-approved homebuyer education class. Keystone Challenge Fund, Inc. has been hired by the City of Lakeland to provide homebuyer education to potential NSP homebuyers. To register, please visit [http://www.keystonechallenge.org/Homebuyer\\_Education.htm](http://www.keystonechallenge.org/Homebuyer_Education.htm).
3. Visit one or more lenders and apply to be prequalified for a first mortgage loan, which you will need to purchase an NSP home. The lender will verify your credit and income, and if you qualify, will provide you with a statement of your prequalification and the loan amount for which you appear to qualify. You may want to take this brochure with you when you visit lenders.
4. Visit <http://nsp.lakelandgov.net> to view properties for sale through NSP. Please check back often as new properties will be added as they become available.
5. Once you find one or more NSP homes you are interested in seeing, please contact the City of Lakeland's Neighborhood Services Division at (863) 834-3360 to arrange a visit.

6. If you find an NSP home on which you would like to make a purchase offer, please contact the City of Lakeland's Neighborhood Services Division at (863) 834-3360. You will need to confirm your apparent income eligibility (#1 above) and will be required to show proof of first mortgage prequalification (#3 above) before the City of Lakeland will accept a contract/offer. At the time you submit the contract, you will also be required to make a deposit (see chart above) equal to the minimum homebuyer investment for your income level.
7. With your executed contract, you will actually apply for the first mortgage loan needed to complete the transaction. Your lender will review your application and proposed purchase, as well as the assistance the City of Lakeland is offering through NSP. Your lender will also collect from you documentation necessary to verify your income, and will submit an application for assistance to Keystone Challenge Fund, Inc. on your behalf.
8. Once Keystone Challenge Fund Inc. has verified your eligibility and compliance with all program requirements, they will notify the City of Lakeland, at which point your closing will be scheduled.
9. At the conclusion of your closing you will be provided keys to and can move into **your new home!**

#### **What if I have a realtor helping me buy a home?**

Make sure your realtor has a copy of this brochure, as the program requirements and steps required to purchase an NSP home are the same with or without a realtor. The City of Lakeland will pay the standard 3% real estate commission to a realtor working on your behalf.