

# Buyer's Guide

The Neighborhood Stabilization Program (NSP) is a federal program administered by Franklin County and the City of Columbus, and is designed to reconstruct and resell quality homes at an affordable cost. These homes are fully renovated by qualified nonprofit developers to meet the AWARE (Accessibility, Water Conservation, Air Quality, Resource Conscious, Energy-Efficient) standards to ensure a green and healthy home that lasts a lifetime.

## WHERE CAN I FIND NSP HOMES FOR SALE?

Franklin County and the City of Columbus have partnered to create the Come Home Central Ohio website to list their partners' NSP homes at [www.ComeHomeCO.org](http://www.ComeHomeCO.org). Come Home Central Ohio is your one-stop shop with easy access to the information and resources you need to find affordable homeownership and rental opportunities that are right for you.

## WHO CAN PURCHASE NSP HOMES?

To qualify to purchase an NSP home, buyers must meet the following criteria:

- \* Household income at the time of purchase is at or below 120% of the area median income (see Income Guidelines chart below);
- \* Complete eight (8) hours of pre-purchase homebuyer counseling from a HUD-certified housing counseling agency (in addition, post-purchase counseling is strongly encouraged);
- \* Maintain the home as your primary residence;
- \* Accept a "soft second" mortgage and deed restrictions for a period of up to fifteen (15) years.

## WHAT ARE THE BENEFITS OF AN AWARE HOME?

The AWARE standards were modeled after the Enterprise Green Communities criteria and are designed to provide housing that is healthy, accessible, and environmentally friendly. Homes that meet these standards, matched with conservation behaviors in the home, can lead to more efficient energy use and lower utility bills. In addition, AWARE accessibility features allow the home to be adapted for a range of physical abilities. For more information on AWARE homes and features, visit [www.ComeHomeCO.org/AWARE](http://www.ComeHomeCO.org/AWARE).

## WHAT IS A "SOFT SECOND" MORTGAGE?

A soft second mortgage is a financial instrument used to make a home more affordable for the homebuyer while securing the seller's investment in the property. The amount of the soft second mortgage is the difference between the list price of the completed home and the first mortgage paid by the homebuyer. The soft second mortgage is a zero interest, forgivable loan for a period of up to fifteen (15) years. As long as the homebuyer complies with the deed restrictions secured by the soft second mortgage for this period of time, no payments are due and the loan is forgiven.

## CAN I SELL MY HOME?

While you may sell your home at any time, if you sell your home before the terms of the soft second mortgage expire, you will be required to repay the soft second according to the terms of the loan.

## CAN I KEEP ANY INCREASE IN THE VALUE OF MY HOME IF I SELL?

Yes, as long as you comply with the mortgage and deed restriction terms, you are entitled to any equity built in your home during your tenure.

## MAY I RENT OUT MY HOME?

No, you must maintain the home as your primary residence until the soft second mortgage and deed restrictions have expired. If you do not, you will be required to repay the soft second loan according to the terms of the loan.

## HOW LONG DO THE SOFT SECOND RESTRICTIONS APPLY?

The length of the soft second terms depend on the amount of subsidy provided. The deed restrictions remain in place for 5 years if the soft second mortgage amount is less than \$15,000; 10 years if the amount is between \$15,000 and \$40,000; and 15 years if the amount is over \$40,000.

## WHAT IS THE MINIMUM DOWNPAYMENT REQUIRED FROM THE BUYER?

To ensure long-term stability and commitment on the part of the buyer, it is important that the homebuyer have some level of financial interest in the property. The amount of downpayment required from the homebuyer will vary, but potential homebuyers should be prepared to contribute at least \$500 in saved funds to the transaction.

## IS DOWNPAYMENT ASSISTANCE AVAILABLE TO POTENTIAL BUYERS?

Franklin County partners with Homeport to provide downpayment assistance to qualified buyers outside the City of Columbus with household incomes at or below 80% of the area median income. These funds are limited and may not be available for all qualified NSP homebuyers. Please contact Homeport for more information about the downpayment assistance program at 614-221-8889.

## NSP HOMEBUYER INCOME GUIDELINES

Household Size	120% AMI Income Limits (as of 12/1/2011)
1	\$56,700
2	\$64,800
3	\$72,900
4	\$81,000
5	\$87,500
6	\$93,950
7	\$100,450
8	\$106,900

