

THE CITY OF CINCINNATI NEIGHBORHOOD STABILIZATION DOWNPAYMENT PROGRAM

PROGRAM DESCRIPTION

The Department of Community Development (DCD) utilizes the City of Cincinnati’s Neighborhood Stabilization Program (NSP) to fund and offer the Neighborhood Stabilization Downpayment Program (NSDP). The NSDP is designed to assist homebuyers with NSP funds toward the purchase of a NSP rehabbed home. NSP funds may be used for down payment, closing costs, and mortgage/principal buy-downs.

NSDP PROGRAM GUIDELINES & REQUIREMENTS

Applicant Eligibility & Funding:

Applicants must be at or 120% of Area Median Income (AMI) to be eligible (see below):

<i>Household Size</i>	1	2	3	4	5	6	7	8
120%AMI	\$59,150	\$67,600	\$76,050	\$84,500	\$91,250	\$98,000	\$104,750	\$111,500
100%AMI	\$49,300	\$56,300	\$63,400	\$70,400	\$76,100	\$81,700	\$87,300	\$92,900
80%AMI	\$39,450	\$45,050	\$50,700	\$56,300	\$60,850	\$65,350	\$69,850	\$74,350

A home purchase price may not exceed \$256,500.

Applicants must complete a Certification Program for Home Buyers with one of the HUD-Certified agencies listed below:

The Home Ownership Center 2820 Vernon Place Cincinnati, Ohio 45219 (513) 961-2800	Working In Neighborhoods 1814 Dreman Street Cincinnati, Ohio 45223 (513) 541-4109	SmartMoney Community Services 19 West Elder Street Cincinnati, Ohio 45202 (513) 241-7266
--	--	---

Applicants up to 120% of the AMI will be eligible to receive Down payment assistance for the purchase of an eligible house in one of the NSP focus areas. Applicants are eligible to receive up to a maximum of \$14,999 for down payment assistance and/or closing costs in the form of a forgivable loan. See table below for funding amounts.

Household Income	Amount of Assistance
Over 100% - 120% AMI	\$10,000
80% - 100% AMI	\$12,500
Below 80% AMI	\$14,999

A forgivable loan is one where payments are deferred over a period of time. NSP loans \$14,999 and under are deferred over a five-year period with 20% forgiven (not requiring repayment) each year residency is verified. Should the property be sold or transferred before the end of the defined affordability/residency period, all or a portion of the funds awarded towards the purchase of the property have to be paid back to

the City. All NSP loans are enforced by a subordinate mortgage and promissory note. It is expected that the City's mortgage filing fee will be paid from NSP funds that are awarded. **Note: NSP funds can only be used to pay for up to half of the required down payment. The remainder of the funds can be used for closing costs and/or a mortgage/principal buy-down.**

The applicants must provide all the necessary documentation for the City to completely review and process an NSDP Program application. The City assumes no responsibility related to the failure of any applicant to respond to documentation requests in a timely manner. It is the applicant's responsibility to see that all the required documentation is submitted to the City; it is not the City's responsibility to secure documentation for the applicant. However, the City reserves the right to obtain third party verification of employment income, child support, and any other income source the City deems necessary to determine a client's overall eligibility for the NSDP Program. ***Faxed or emailed applications will not be accepted***

An application and complete program guide can be obtained at www.cincinnati-oh.gov or by contacting:

Roy J. Hackworth, Sr. Community Development Analyst
Department of Community Development
805 Central Avenue, Suite 700, Cincinnati, Ohio 45202
Phone: (513) 352-6119 Fax: (513) 352-6113
roy.hackworth@cincinnati-oh.gov

Eligible Property & Timelines:

It is advised that the applicant(s) apply to the NSDP program so that eligibility for funds can be determined before a contract is written on a home. After the City has verified the eligibility of an applicant for the NSDP program and a fully executed contract to purchase has been submitted to the City, the City will provide the buyer(s) and/or their agent with information needed to schedule a housing code inspection of the property. A home under construction will also require a final housing code inspection before any NSP funds will be released. This inspection is meant to ensure that the property meets the local housing code and is not meant to be a substitute for a whole house inspection. The buyer(s) will not be eligible for funding if the home does not pass the local housing code inspection. All program funds will be held until the identified deficiencies are remedied. There is typically a 30-day time frame to close on a NSP house provided that the applicant's eligibility has been determined, the City receives a fully executed contract to purchase, all required loan documents have been received, and the house passes all City inspection requirements.

Private Financing & Closing:

NSDP Program participants may obtain a loan from the lending institution of their choice. The loan must meet the following underwriting criteria: No more than 31% of the borrower(s) income can be devoted to housing payment (principal, interest, taxes and insurance) and no more than 43% of income for total household debt (housing payment, car payment, credit cards, etc...). Loans may be Conventional, FHA, or VA, but must have a fixed rate and a reasonable term. Money should also be escrowed for property taxes and insurance. Adjustable Rate Mortgages (ARMs) are prohibited. Copies of the following loan documents must be submitted for review prior to closing: loan application, Good Faith Estimate, Truth-in-Lending disclosure, underwriting summary, appraisal, legal description, and final loan commitment. In addition, a HUD Settlement Statement must be made available for the City to review 24 hours prior to closing. **Buyers are not permitted to receive cash back at closing.** A City representative will bring all City closing documents and the assistance check to the closing.