



# Neighborhood Stabilization Program (NSP)

## Purpose of Program

The Neighborhood Stabilization Program (NSP) was created to respond to rising residential foreclosures and property abandonment. The main purpose of the NSP is to stabilize neighborhoods negatively impacted by foreclosures. Lee County will use NSP funds to assist with acquisition, repair, and sale of foreclosed homes.

## Homebuyer Benefit

Prospective homebuyers will have the opportunity to purchase homes that have received necessary rehabilitation/repairs prior to the closing. Homes will be sold at affordable prices.

Qualified buyers will receive assistance in the form of a subsidy (second mortgage to be provided by Lee County).

## Eligible Applicants

- Cannot currently own a home; but not limited to first time homebuyers
- Must meet income guidelines (See Income Chart Below)

Lee County, Florida			
Income Guidelines Chart (effective 6/1/2018)			
Your annual income must fall within the categories below			
Household Size	Low Up to 50% MI	Moderate 50.01-80% MI	Middle 80.01-120% MI
1	\$22,300	\$35,700	\$53,500
2	\$25,500	\$40,800	\$61,150
3	\$28,700	\$45,900	\$68,800
4	\$31,850	\$50,950	\$76,450
5	\$34,400	\$55,050	\$82,550
6	\$36,950	\$59,150	\$88,650
7	\$39,500	\$63,200	\$94,800
8	\$42,050	\$67,300	\$100,900

- Must be buyers primary, homesteaded residence
- INVESTORS ARE NOT ALLOWED to purchase under this program
- All household members must have legal right to reside permanently in the United States
- Married couples living separately, or planning to live separately are **not eligible** for assistance
- Only borrowers on first mortgage loan can be on deed

## Funding

- First Mortgage Products – Minimum 30 Year Fixed Rate; No Balloons, ARMS or Prepayment Penalties
- Conventional, VA, FHA, or USDA loans
- Maximum PITI Debt-to-Income Ratio of 30%
- Maximum Total Debt-to-Income Ratio of 45%
- Reasonable Closing Costs included

## Homebuyer Maximum Assistance

- Low Income Category 12.5% to 50% of Sales Price\*
  - Moderate Income Category 10% to 40% of Sales Price\*
  - Middle Income Category 7.5% to 30% of Sales Price\*
- \*plus reasonable closing costs

## Buyer Minimum Contribution

- Low Income Category - \$500
  - Moderate Income Category - \$1,000
  - Middle Income Category - \$1,200
- (costs such as appraisal, credit report, home inspection may go towards the minimum contribution)

## Homebuyers Education

Homebuyers are required to complete a homebuyer's education class from a HUD approved agency in order to participate in the program.

## Target Locations

Homes eligible for purchase could be in one of these locations:

- Lehigh Acres
- Bonita Springs
- Cape Coral
- Fort Myers
- North Fort Myers
- South Fort Myers

## Resale Provisions

Lee County will provide a second mortgage with a fifteen (15) year term at 0% interest. No reduction during first five (5) years; then reducing 10% per year during remaining ten (10) years. Lee County's assistance (subsidy) must be repaid if the property is sold, rented, or refinanced without prior approval of Lee County or ceases to be owner occupied during the lien period (subject to subordination policy).



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