

CITY OF HOMESTEAD
790 NORTH HOMESTEAD BOULEVARD
HOMESTEAD, FLORIDA 33030
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**NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
DOWN PAYMENT PROGRAM GUIDELINES**

1. Applicant(s) **DO NOT** have to be a first-time homebuyer.
2. The homebuyer must occupy the home as their **PRIMARY RESIDENCE**.
3. Applicant(s) must be U.S. citizens or have permanent residency immigration status.
4. Selected home must be owned by a financial institution, be foreclosed, be vacant, and be located in one of the City's target areas: Zip Code 33030; Zip Code 33033; and Zip Code 33035. The property must be located within the city limits of the City.
5. New property must be offered to the homebuyer at a 15% discount below appraised value as required by NSP guidelines.
6. Mobile homes and manufactured homes are ineligible to receive Down Payment Assistance.
7. Applicant(s) must contribute **\$1,500.00** towards the purchase of the home.
8. Applicant(s) income may not exceed 120% of Area Median Income (AMI) for the family size for Miami-Dade County and must be a minimum of 51% AMI.
9. The total cost of the house, including any necessary repairs, may not exceed the current mortgage limits established by FHA for Miami-Dade County.
10. Preference will be given to applicant(s) who have been pre-approved for a First Mortgage through a lender. Subprime loans or predatory lending practices will not be provided assistance. Applicant(s) must be employed and have an established credit history.
11. Applicant(s) must complete, prior to applying to this program, an 8-hour homebuyer education counseling course through a HUD approved provider. Please refer to the attached listing for HUD approved providers. The Certificate of Completion for Homebuyer Education Counseling Course must accompany the application and be no older than 12 months.
12. The City of Homestead has allocated approximately \$888,278.50 for this activity and expects to award funding based upon the income and need of the applicant(s), but only up to \$50,000.00.
13. Down Payment Assistance will not exceed 50 percent of the sales price.
14. The property must be an existing single-family residence, condominium, townhome, duplex, triplex, or other residential building.

15. The Down Payment Assistance is a **LOAN** to the homebuyer. Interest rate is 0%.
16. There will also be an affordability period that runs with the mortgage relative to this program. The Down Payment Assistance will be for a term of 25 years. During the final 5 years of the loan, the Down Payment Assistance will amortize in equal amounts until forgiven. Sale or transfer of the property within the initial affordability period will result in a return of all financial assistance provided to the City of Homestead. A mortgage, note and Land Use Restriction Agreement will be executed by the property owner to ensure the terms of the NSP assistance.
17. The homebuyer must be prepared to close within 120 days of the issuance of the City's award letter to the homebuyer. Please be advised that the award letter will contain specific information which must be strictly followed.
18. The purchase of a completed rehabilitated housing unit is permissible under this program as long as the unit is owned by a financial institution, has been foreclosed, and is vacant.
19. Housing unit must be inspected prior to entering into a contract for sale by a City of Homestead representative, who will evaluate the property and determine the proper course of action for any renovations to ensure that the property is in compliance with local codes and Section 8 Housing Quality Standards.
20. If rehab work is required, all work will be limited to code issues and to meet the minimum Section 8 Housing Quality Standards. Preference work (i.e., wood floors, granite countertops, etc.) requested by the homeowner will not be covered with NSP funds.
21. The property must meet minimum Section 8 Housing Quality Standards within 120 days of closing on the property.