



CITY OF HOMESTEAD  
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

RESPONSE TO QUESTIONS AND COMMENTS FROM THE  
MEETING ON MAY 20, 2009 WITH  
LENDING INSTITUTIONS, REALTORS AND INTERESTED PARTIES

The City of Homestead would like to address comments and questions raised at the May 20<sup>th</sup> meeting for the NSP process:

Comment: Why is the sale price 15% below current appraisal value of the home?  
This will only help deteriorate the neighborhoods.

Response: The City understands everyone's concern about this requirement.  
However, as expressed at the meeting, this is a HUD grant related requirement.

Comment: Can the City do pre-qualifying inspections on all the foreclosed properties offered for sale?

Response: The City will inspect the property that the potential homebuyer has selected as part of the 120 day time period. A 24 hour notice should be given when requesting the inspection by City staff/consultant. There will be no pre-qualifying inspections conducted on foreclosed properties.

Comment: What would happen to the property if the owner dies?

Response: If the property is jointly owned and one of the owner's dies, the remaining joint owner can continue to live in the property. If a single owner or both owners of the jointly owned property die, the amount of NSP funds would have to be repaid. This language will be reflected in the mortgage note.

Comment: Will the City establish a limit on the amount of the home's purchase price?

Response: As stated in the NSP documents, the total cost of the house, including any necessary repairs, may not exceed the current mortgage limits established by FHA for Miami-Dade County.

Comment: Several attendees voiced comments regarding the award letter containing the amount of funds the potential homebuyer will receive. Suggestions were made to set a specific number or a specific percent.

Response: The City has discussed various options and has decided that the award letter will list a dollar range that the applicant can receive for the actual down payment. This range will depend on what type of loan they are getting (i.e., FHA, Fannie Mae, Conventional, etc). The letter will also identify that funds may be provided for pre-pays and closing costs of up to 2 percent of the purchase price based on need. The City is hopeful that this type of award letter will be within 10% of the final costs on the HUD closing statement.

The award letter will also identify any funds that might be provided as an “appliance allowance” depending on need. The award letter may also identify funds that might be provided as “other rehab costs” depending on need.

Comment: Can the City use the lender’s third party verifications?

Response: The City will conduct third party verifications on all applicants for inclusion into the applicant’s file.

Comment: Will the Appraiser that the City uses be FHA approved?

Response: Yes, the City will ensure that the Appraiser(s) utilized are FHA approved.

Please feel free to contact Evelin Simpson, Accounting Manager, City of Homestead, at 305-224-4547 or Nancy Phillips, NSP Consultant, at 561-432-1524 if you are in need of additional information.